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Wednesday
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THE FEDERAL REGISTER
WHAT IT IS AND HOW TO USE IT

FOR: Any person who uses the Federal Register and Code of Federal Regulations.

WHO: The Office of the Federal Register.

WHAT: Free public briefings (approximately 3 hours) to present:
1. The regulatory process, with a focus on the Federal Register system and the public's role in the development of regulations.
2. The relationship between the Federal Register and Code of Federal Regulations.
3. The important elements of typical Federal Register documents.
4. An introduction to the finding aids of the FR/CFR system.

WHY: To provide the public with access to information necessary to research Federal agency regulations which directly affect them. There will be no discussion of specific agency regulations.

WASHINGTON, DC

WHEN: May 24, at 9:00 a.m.
WHERE: Office of the Federal Register, First Floor Conference Room, 1100 L Street NW., Washington, DC.
RESERVATIONS: 202-523-5240.

MINNEAPOLIS, MN

WHEN: June 18, at 1:00 p.m.
WHERE: Bishop Henry Whipple Federal Building, Room 570, Ft. Snelling, MN.
RESERVATIONS: 1-800-366-2998

KANSAS CITY, MO

WHEN: June 19, at 9:00 a.m.
WHERE: Federal Building, 601 East 12th Street, Room 110, Kansas City, MO.
RESERVATIONS: 1-800-735-8004

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Separate Parts In This Issue

Reader Aids
Additional information, including a list of public laws, telephone numbers, and finding aids, appears in the Reader Aids section at the end of this issue.

CFR PARTS AFFECTED IN THIS ISSUE

A cumulative list of the parts affected this month can be found in the Reader Aids section at the end of this issue.

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Presidential Documents

Title 3—

The President

Proclamation 6130 of May 7, 1990

Asian/Pacific American Heritage Month, 1990

By the President of the United States of America

A Proclamation

The history of Asian and Pacific Americans in the United States is a long and honorable one. Determined to uphold America's promise of freedom and opportunity for all, generations of Asian and Pacific men and women have helped this Nation to grow and prosper. A century and a half ago, many of these Americans contributed to the economic development of the United States through their labors on the plantations of Hawaii and in the mines of California. The important role played by many Asian and Pacific Americans in the building of the first transcontinental railroad is well documented; their determination and hard work are well known. With diligent effort and abiding faith in the American Dream, Asian and Pacific Americans have steadily advanced, earning ever greater respect and admiration from their fellow citizens.

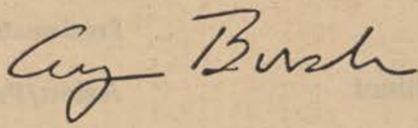
Today, men and women of Asian and Pacific ancestry continue to make many important contributions to our Nation. In science, commerce, education, and the arts, Asian and Pacific Americans are not only sharing with us their unique talents and ideas, but also setting high standards of achievement. For example, through their commitment to academic excellence and their superlative accomplishments in many areas of study, Asian and Pacific American students have provided a model for the Nation.

Time and again throughout our Nation's history, Asian and Pacific Americans have demonstrated their dedication to ideals upon which the United States is founded. In times of war and in times of peace, they have faithfully defended the principles of freedom and representative government. They have worked for the advancement of human rights and democratic ideals around the world, and they have promoted greater appreciation for our system of self-government here at home.

This month, all Americans join with our neighbors of Asian and Pacific descent as they celebrate the unique customs and traditions of their ancestral homelands. These customs and traditions have deeply enriched the wonderful heritage we share as a Nation.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim the month of May 1990 as Asian/Pacific American Heritage Month. I call upon the people of the United States to observe this month with appropriate programs, ceremonies, and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of May, in the year of our Lord nineteen hundred and ninety, and of the Independence of the United States of America the two hundred and fourteenth.



[FR Doc. 90-10988
Filed 5-7-90; 4:14 pm]
Billing code 3195-01-M

Editorial note: For the President's remarks of May 7 on signing Proclamation 6130, see the *Weekly Compilation of Presidential Documents* (vol. 26, no. 19).

Presidential Documents

ORDER of May 4, 1990

Pursuant to the provisions of Section 1.2 of Executive Order No. 12356 of April 2, 1982, entitled "National Security Information," I hereby designate the Director of National Drug Control Policy to classify information originally as "Top Secret."

This order shall be published in the **Federal Register**.

THE WHITE HOUSE,
May 4, 1990.

[FR Doc. 90-10937
Filed 5-7-90; 12:36 pm]
Billing code 3195-01-M

Rules and Regulations

Federal Register
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Wednesday, May 9, 1990

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

7 CFR Part 245

Determination of Eligibility for Free and Reduced Price Meals and Free Milk in Schools; Free and Reduced Price Eligibility

AGENCY: Food and Nutrition Service, USDA.

ACTION: Interim rule with request for comments.

SUMMARY: This interim rule amends the regulations governing the collection of social security numbers and household income information on the application for free and reduced price meals under the National School Lunch Program and School Breakfast Program and for free milk under the Special Milk Program. The rule deletes the requirement that households provide the social security numbers of all adult members of the household. At the discretion of the household, only the social security number of either the household member who signs the application or that of the parent or guardian who is the primary wage earner must be provided. However, social security numbers of all adult household members will be required if the application is chosen for verification of eligibility information. Also, the regulations will no longer require households to provide on their applications a total income figure in addition to income by source and household member. Households will now only be required to provide income information sufficient to enable the determining official to calculate total household income. This rule implements certain requirements of the Child Nutrition and WIC Reauthorization Act of 1989 and is intended to reduce paperwork and to facilitate eligibility determinations for free and reduced price meals and free milk by simplifying the application requirements for both households and school officials, while maintaining program integrity.

DATES: This interim rule is effective July 1, 1990. To be assured of consideration, comments must be postmarked on or before January 1, 1991.

ADDRESSES: Comments should be sent to Mr. Robert Eadie, Chief, Policy and Program Development Branch, Child Nutrition Division, Food and Nutrition Service, USDA, 3101 Park Center Drive, room 515, Alexandria, Virginia 22302. Comments in response to this rule may be inspected at the address above during normal business hours—8:30 a.m. to 5 p.m., Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Mr. Robert Eadie or Mr. Charles Heise at the above address or by phone at (703) 756–3620.

SUPPLEMENTARY INFORMATION:

Classification

This rule has been reviewed under Executive Order 12291 by the Assistant Secretary for Food and Consumer Services and has been classified as not major because it does not meet any of the three criteria identified under the Executive Order. This action will not have an annual effect on the economy of $100 million or more, nor will it result in major increases in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions. Furthermore, it will not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-bases enterprises in domestic or export markets.

This rule has also been reviewed with regard to the requirements of the Regulatory Flexibility Act (5 U.S.C. 601–612). The Administrator of the Food and Nutrition Service has certified that this rule will not have a significant adverse economic impact on a substantial number of small entities.

This rule implements sections 202(b)(2)(A) and (B)(i) of the Child Nutrition and WIC Reauthorization Act of 1989, Public Law No. 101–147, enacted November 10, 1989, regarding the collection of social security numbers and total income calculations for the child nutrition programs. Section 202(c) of Public Law No. 101–147 provides that these provisions must be implemented by July 1, 1990. Therefore, this rule is being made effective on July 1, 1990. Further, this rule is being issued as an interim rule, rather than a proposed rule, because of the urgency in implementing the changes to the application procedures. The Department recognizes that changes in the application process for a given school year must be promulgated long before the school year begins in order to enable State agencies and school food authorities to have the changes incorporated into their application forms. The process of issuing contracts to redesign and print forms can be quite lengthy and usually begins in the winter or early spring prior to the school year. Additionally, the changes to the application being made by this rulemaking will simplify the application procedures for households. For these reasons, the Administrator of the Food and Nutrition Service has determined, in accordance with 5 U.S.C. 553(b)(3)(B), that it is impracticable and contrary to public interest to take prior public comment and that good cause therefore exists for publishing this rule without prior notice and public comment. However, because the Department believes that this rule may be improved through public comment, comments are being solicited on this rule until January 1, 1991. All comments received by January 1, 1991 will be carefully considered prior to final rulemaking.

This rule affects the School Breakfast Program, National School Lunch Program and Special Milk Program, which are listed in the Catalog of Federal Domestic Assistance under Nos. 10.553, 10.555, and 10.556, respectively. These programs are subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. (See 7 CFR part 3015, subpart V, 48 FR 29112, June 24, 1983.)

This rule reduces the reporting and recordkeeping requirements currently associated with the free and reduced price application process. The changes in the reporting and recordkeeping requirements are subject to Office of Management and Budget (OMB) review in accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3501–3520). The changes were submitted to OMB for approval and are not effective until a valid OMB number is approved.

Background

Section 245.5(a) of the current regulations requires school officials at the beginning of school each year to distribute to all student households a letter or notice announcing the following: The availability of free and reduced price meals or free milk, as appropriate; the eligibility criteria; an explanation of how to apply for benefits; and an application form. As a condition of eligibility for free and reduced price meals or free milk, those households applying for benefits must submit an application containing complete documentation of eligibility as defined in § 245a.2(a–4). Under the current regulations, for a household that does not provide a food stamp or Aid to Families with Dependent Children (AFDC) case number, documentation of eligibility is a completed free and reduced price application that includes (1) the names of all household members; (2) the income received by each household member identified by source; (3) the total household income; (4) the signature of an adult household member; and (5) the social security numbers for *all* adult household members or an indication that an adult household member does not have a social security number. Households that receive food stamp or AFDC benefits on behalf of the child need provide only (1) the child's name, (2) a current food stamp or AFDC case number, and (3) an adult signature.

Currently, the school official making eligibility determinations for free and reduced price benefits on behalf of the school food authority must review the application to ensure that it is complete. For households that submit income information, the school official must also compare the household size and income to the Income Eligibility Guidelines issued annually by the Department. Households that provide a current food stamp or AFDC case number on the application are categorically eligible for free meals or free milk.

Social Security Numbers

Section 202(b)(2)(A) of Public Law No. 101–147, enacted on November 10, 1989, amended section 9(d)(1) of the National School Lunch Act (42 U.S.C. 1758(d)(1)) to eliminate the requirement for collection of the social security numbers of all adult household members as a condition of eligibility for children who are not categorically eligible for benefits. Rather, the law requires that the member of the household who executes the application include the social security number of the parent or guardian who is the primary wage earner responsible for the care of the child for whom the application is made, or the number of another appropriate adult household member, as determined by the Secretary. Additionally, the law requires that the household provide the social security numbers of each adult household member if the application is selected for verification of eligibility.

In accordance with the authority given to the Secretary to designate another adult household member to provide his or her social security number, the Department has decided to allow the household the option of providing either the social security number of the parent or guardian who is the primary wage earner, or the social security number of the adult household member who signs the application. The Department believes that this provision will provide households with maximum flexibility in complying with the requirement of providing a social security number on the application. The Department believes that this provision will also simplify the application process, while maintaining program integrity. The signing adult must also certify that the information on the application is true and correct.

The Department does not intend that the requirements for the social security number of the parent or guardian who is the primary wage earner be construed as requiring the school official to conduct in-depth inquiries into who is the parent or guardian of a given child. As noted above, the adult household member signing the application is required to certify that the information on the application is true and correct, including the designation of parent or guardian. The goal of this provision is to simplify the application and reduce paperwork, not to impose additional administrative burdens on school food authorities.

Accordingly, this rule amends §§ 245.2(a–4) and 245.6(a) to require a completed application to include the social security number of either the parent or guardian who is the primary wage earner or the adult household member who signs the application. Additionally, as currently permitted in the regulations, if neither the primary wage earner nor the adult household member signing the application has a social security number, the household may indicate this fact in lieu of providing a number. This rule also amends the Department's prototype Privacy Act Statement contained at § 245.6(a) to conform to the revised social security number requirement. Finally, § 245.6a(a) is revised to require that households selected for verification provide the social security number for each adult household member (or an indication that the member does not possess a number). The notice of selection for verification must also include a statement which meets the requirements of the Privacy Act of 1974 (section 7 of Pub. L. No. 93–579). State agencies and School food authorities should check with their legal counsel to ensure the notice complies with the Privacy Act requirements.

Income Information

Section 202(b)(2)(B)(i) of Public Law No. 101–147 amended section 9(d)(2)(A) of the National School Lunch Act (42 U.S.C. 1758(d)(2)(A)) by requiring households to provide appropriate documentation relating to the income of the household so that the local school officials may calculate the total income for use in determining eligibility for benefits. The current regulations at §§ 245.2(a–4) and 245.6(a) dictate that households must provide the total household income on the application, as well as income received by each household member, identified by source and amount. In light of the indication by Congress that the total income calculation is to be performed by the school food authority rather than the applicant household, this rule eliminates the requirement that the applicant household calculate total income. The elimination of the requirement that the household calculate total income is intended to further simplify the application process and to reduce the burden on school officials who previously had to contact the household when the sum of the income received by each household member identified by source and the total income figure provided by the household were inconsistent.

Therefore, the Department is amending §§ 245.2(a–4) and 245.6(a) to eliminate the requirement that households provide their total income on the application and to require, instead, that households list the income received by each member during the prior month and the source of the income. In addition, this rule requires households to indicate the frequency with which each member receives the income, such as weekly, every two weeks, monthly, etc. School food authorities will be required to take the household's income frequency information and calculate monthly income. This change is reflected in § 245.6(b).

The Department believes that requiring houeholds to indicate how often income is received will reduce the burden on households, while still

ensuring that eligibility is based on the household's current circumstances. Although more responsibility is placed on the determining official, this approach should ultimately reduce the burden on school officials, since it will result in fewer instances of inconsistent income information which schools must resolve. This regulation does not alter the Department's policy on the types of income that must be reported or on determining eligibility based on households' current income. Nor does it change the existing regulatory provision which requires household members with irregular incomes to report that income as accurately as possible.

Additionally, the Department is amending the definition of "current income," § 245.2(a–3), to reflect the actual treatment of income by households submitting income information on the application and by school officials responsible for eligibility determinations. Currently, § 245.2(a–3) defines income as "income * * * received during the month prior to application and multiplied by 12" and requires that if this income does not accurately reflect the household's annual income, the determination must be based on the household's projected annual income. In practice, however, most school officials responsible for reviewing applications and making eligibility determinations do not convert the income amounts listed for each household member to an annual income figure. Rather, if any income is reported as other than a monthly amount, most school officials convert these income amounts to a monthly income figure and base eligibility on total monthly household income. Therefore, §245.2(a–3) is being amended to define "current income" simply as income received during the month prior to application. The reference to annualization is being deleted. If the prior month's income is not repesentative of the household's annual rate of income, the household must still report its projected annual income. A conforming change is also being made in §245.6(a) to remove the reference to current "annual" income and to replace it with current income.

The school food authority will convert all listed income to a monthly equivalent, then calculate the household's total current income to determine eligibility for benefits. For example, if a household member receives income on a weekly basis, the school official will multiply by 4.33 to calculate monthly income instead of the household being responsible for this conversion. Then, if another member receives income monthly, the determining official would total the sums and determine the total current monthly income for that household.

This change is technical in nature. It does not preclude the determination of eligibility based on the annualization of the household's current rate of income. Those school food authorities that currently convert all household income to a yearly figure may continue to do so. The Department recognizes that many school food authorities use computerized systems that automatically annualize household income to determine free and reduced price eligibility. There would be no need to change these systems. The Income Eligibility Guidelines for determining households' eligibility for free or reduced price benefits express the household size income limits as weekly, monthly and yearly rates.

School officials may continue to use the figures most convenient to them. A technical change is also being made to the definition of "documentation" in § 245.2(a–4). The words "and other cash income" are being added to the examples of sources of income that are listed as examples of sources of income. This change is intended to made the examples consistent with those listed in § 245.6(a).

Food Stamp Households and AFDC Assistance Units

No changes are being made to the application for children categorically eligible for benefits. An application for a child from a food stamp household or an AFDC assistance unit continues to require only the child's name, the appropriate food stamp/AFDC case number and an adult signature.

Request for Comments

Since the Department has exercised some discretion on the implementation of these provisions, comments and suggestions are particularly encouraged on the following amendments: (1) The household option of providing the social security number of either the parent or guardian who is the primary wage earner, or the social security number of the household member who executes the application; and (2) the requirement for reporting frequency of income received by each member rather than requiring the household to calculate all income to monthly income for each member. The Department reminds commenters that the changes to the application requirements are intended to reduce paperwork by simplifying the application requirements, while maintaining program integrity.

Child and Adult Care Food Program and Summer Food Service Program

The changes made by Public Law No. 101–147 regarding social security numbers and total income provisions also apply to applications for benefits under the Summer Food Service Program (7 CFR part 225) and the Child and Adult Care Food Program (7 CFR part 226). Amendments to the regulations for these programs will be addressed in a separate rulemaking.

List of Subjects in 7 CFR Part 245

Food assistance programs, Grant programs-social programs, National School Lunch Program, School Breakfast Program, Special Milk Program, Reporting and recordkeeping requirements.

Accordingly, 7 CFR part 245 is amended as follows:

PART 245—DETERMINING ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS AND FREE MILK IN SCHOOLS

1. The authority citation for part 245 continues to read as follows:

Authority: Secs. 3, 4, and 10, 80 Stat. 885, 886, 889, as amended (42 U.S.C. 1772, 1773, 1779); secs. 2–12, 60 Stat. 230, as amended (42 U.S.C. 1751–60).

2. In § 245.2 *Definitions*, paragraph (a–3) is revised and paragraph (a–4) is amended by revising the first sentences. The revisions read as follows:

§ 245.2 Definitions.

* * * * *

(a–3) *Current income* means income, as defined in § 245.6(a), received during the month prior to application. If such income does not accurately reflect the household's annual rate of income, income shall be based on the projected annual household income. If the prior year's income provides an accurate reflection of the household's current annual income, the prior year may be used as a base for the projected annual rate of income.

(a–4) *Documentation* means the completion of the following information on a free and reduced price application:

(1) Names of all household members;

(2) Income received by each household member, identified by source of the income (such as earnings, wages, welfare, pensions, support payments, unemployment compensation, and social security and other cash income) and the frequency at which the income is received (such as weekly, every two weeks, twice a month or monthly);

(3) At the option of the household, either the social security number of the

parent or guardian who is the primary wage earner or, if another household member signs the application, the social security number of that household member or an indication that neither possesses a social security number; and

(4) Signature of an adult household member.

* * *

* * * * *

3. Section 245.6 is amended as follows:

a. The introductory text of paragraph (a) is amended by revising the third through the seventh sentences;

b. Paragraph (a)(1) is amended by removing the first four sentences and adding five new sentences is their place; and

c. The introductory text of paragraph (b) is amended by adding a new second sentence. The revisions and addition read as follows:

§ 245.6 Application for free and reduced price meals and free milk.

(a) * * * The information requested in the application with respect to the current income of the household shall be limited to the income received by each member identified by the household member who received the income, the source (such as earnings, wages, welfare, pensions, support payments, unemployment compensation, social security and other cash income), and how often the income is received (such as weekly, every two weeks, twice a month, or monthly). Other cash income includes cash amounts received or withdrawn from any source, including savings, investments, trust accounts, and other resources which are available for payment of the price of a child's meals or milk. Additionally, the application shall require applicants to provide the names of all household members, and either the social security number of the parent or guardian who is the primary wage earner or, at the household's discretion, the social security number of the adult household member who signs the application. In lieu of a social security number, the household may indicate that neither household member possesses a social security number. However, if application is being made for a child who is a member of a food stamp household or an AFDC assistance unit, the application shall enable the household to provide the appropriate food stamp or AFDC case number in lieu of names of all household members, household income information and social security numbers. The application shall also contain substantially the following statements:

(1) "Section 9 of the National School Lunch Act requires that, unless your child's food stamp or AFDC case number is provided, you must include a social security number on the application. This may be the social security number of the parent or guardian who is the primary wage earner, the social security number of the adult household member signing the application, or an indication that neither household member possesses a social security number. Provision of a social security number is not mandatory, but if a social security number is not provided or an indication is not made that neither the primary wage earner nor the adult household member signing the application has one, the application cannot be approved. This notice must be brought to the attention of the household member whose social security number is disclosed. The social security number may be used to identify the household member in carrying out efforts to verify the correctness of information stated on the application. * * *

* * * * *

(b) * * * School officials shall take the income and frequency information provided by the household on the application and calculate the household's total current income.

* * *

* * * * *

4. In § 245.6a, paragraph (a)(2) is revised to read as follows:

§ 245.6a Verification requirements

(a) * * *

(2) *Notification of selection.* Households selected to provide verification shall be provided written notice that their applications have been selected for verification and that they are required, by such date as determined by the school food authority, to submit the requested verification information to confirm eligibility for free or reduced price meals. These households shall be advised of the type or types of information and/or documents acceptable to the school. This information must include a social security number for each adult household member or an indication that such member does not have one. School food authorities shall inform selected households that:

(i) "Section 9 of the National School Lunch Act requires that unless the child's food stamp or AFDC case number is provided, households selected for verification must provide the social security number of each adult household member;

(ii) In lieu of providing a social security number, an adult household member may indicate that he/she does not possess one;

(iii) Provision of a social security number is not mandatory but if a social security number is not provided for each adult household member or an indication is not made that he/she does not possess one, benefits will be terminated;

(iv) The social security numbers may be used to identify household members in carrying out efforts to verify the correctness of information stated on the application and continued eligibility for the program. These verification efforts may be carried out through program reviews, audits, and investigations and may include contacting employers to determine income, contacting a food stamp or welfare office to determine current certification for receipt of food stamps or AFDC benefits, contacting the State employment security office to determine the amount of benefits received and checking the documentation produced by household members to prove the amount of income received. These efforts may result in a loss or reduction of benefits, administrative claims or legal actions if incorrect information was reported; and

(v) This information must be provided to the attention of each adult household member disclosing his/her social security number. State agencies and school food authorities shall ensure that the notice complies with section 7 of Public Law 93-579 (Privacy Act of 1974). These households shall be provided with the name and phone number of a school official who can assist in the verification effort. Selected households shall also be informed that, in lieu of any information that would otherwise be required, they can submit proof of current food stamp or AFDC Program certification as described in paragraph (a)(3) of this section to verify the free meal eligibility of a child who is a member of a food stamp household or AFDC assistance unit. All households selected for verification shall be advised that failure to cooperate with verification efforts will result in the termination of benefits.

* * * * *

Dated: May 3, 1990.

George A. Braley,

Acting Administrator, Food and Nutrition Service.

[FR Doc. 90-10778 Filed 5-8-90; 8:45 am]

BILLING CODE 3410-30-M

Animal and Plant Health Inspection Service

7 CFR Part 301

[Docket No. 90-050]

Mediterranean Fruit Fly; Addition to the Quarantined Areas

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Interim rule.

SUMMARY: We are amending the Mediterranean fruit fly regulations by (1) expanding the quarantined area comprised of Los Angeles County and Orange County and combining it with the quarantined area in San Bernardino County, California; and (2) designating a portion of Riverside County as a quarantined area. These actions are necessary on an emergency basis to prevent the spread of the Mediterranean fruit fly into noninfested areas of the United States.

DATE: Interim rule effective May 4, 1990. Consideration will be given only to comments received on or before July 9, 1990.

ADDRESSES: To help ensure that your comments are considered, send an original and three copies to Chief, Regulatory Analysis and Development, PPD, APHIS, USDA, Room 866, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782. Please state that your comments refer to Docket Number 90-050. Comments received may be inspected at USDA, Room 1141, South Building, 14th and Independence Avenue SW., Washington, DC, between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: Milton C. Holmes, Senior Operations Officer, Domestic and Emergency Operations, PPQ, APHIS, USDA, Room 642, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782, (301) 436-8247.

SUPPLEMENTARY INFORMATION:

Background

The Mediterranean fruit fly, *Ceratitis capitata* (Wiedemann), is one of the world's most destructive pests of numerous fruits and vegetables, especially citrus fruits. The Mediterranean fruit fly (Medfly) can cause serious economic losses. Heavy infestations can cause complete loss of crops, and losses of 25 to 50 percent are not uncommon. The short life cycle of this pest permits the rapid development of serious outbreaks.

We established the Mediterranean fruit fly regulations and quarantined an area in Los Angeles County, California (7 CFR 301.78 *et seq.*; referred to below as the regulations), in a document effective August 23, 1989, and published in the **Federal Register** on August 29, 1989 (54 FR 35629-35635, Docket Number 89-146). Circumstances have compelled us to make a series of amendments to these regulations, in the form of interim rules, in an effort to prevent the further spread of the Mediterranean fruit fly. These amendments were made effective on September 14, October 11, November 17, and December 7, 1989, and on January 3, January 25, February 16, and March 9, 1990 (54 FR 38643-38645, Docket Number 89-169; 54 FR 42478-42480, Docket Number 89-182; 54 FR 48571-48572, Docket Number 89-202; 54 FR 51189-51191, Docket Number 89-206; 55 FR 712-715, Docket Number 89-212; 55 FR 3037-3039, Docket Number 89-227; 55 FR 6353-6355, Docket Number 90-014; 55 FR 9719-9721, Docket Number 90-031).

These areas remain infested with Mediterranean fruit fly. The regulations impose restrictions on the interstate movement of regulated articles from quarantined areas in order to prevent the spread of the Mediterranean fruit fly into noninfested areas.

Recent trapping surveys by inspectors of California State and county agencies and by inspectors of the Animal and Plant Health Inspection Service reveal that additional infestations of Medfly have been discovered in Los Angeles County in areas near Claremont, Pomona, and Diamond Bar, and in a portion of San Bernardino County near Montclair and Ontario. Infestations of Medfly have also been discovered near Arnold Heights, Glenn Valley, Riverside, and Woodcrest in Riverside County, California.

The regulations in § 301.78-3 provide that the Administrator of the Animal and Plant Health Inspection Service shall list as a quarantined area each State, or each portion of a State, in which the Mediterranean fruit fly has been found by an inspector, in which the Administrator has reason to believe the Mediterranean fruit fly is present, or that the Administrator considers necessary to regulate because of its inseparability for quarantine enforcement purposes from localities in which the Mediterranean fruit fly has been found.

In accordance with these criteria, we are amending § 301.78-3 of the regulations by expanding the previously quarantined area in Los Angeles and Orange County and combining it with the previously quarantined area in San Bernardino County to form one contiguous quarantined area. We are also amending the regulations by adding a portion of Riverside County to the quarantined area. A description of the quarantined areas is set forth in full in the rule portion of this document. The quarantined area in Santa Clara County, California, is not affected by this rule.

There does not appear to be any reason to designate other additional quarantined areas in California. California has adopted and is enforcing regulations imposing restrictions on the intrastate movement of the regulated articles that are equivalent to those imposed on the interstate movement of regulated articles under this subpart.

Emergency Action

James W. Glosser, Administrator of the Animal and Plant Health Inspection Service, has determined that an emergency situation exists that warrants publication of this interim rule without prior opportunity for public comment. Because the Mediterranean fruit fly could be spread to noninfested areas of the United States, it is necessary to act immediately to prevent its spread.

Since prior notice and other public procedures with respect to this interim rule are impracticable and contrary to the public interest under these conditions, there is good cause under 5 U.S.C. 553 to make it effective upon signature. We will consider comments received within 60 days of publication of this interim rule in the **Federal Register**. After the comment period closes, we will publish another document in the **Federal Register**, including a discussion of any comments we receive and any amendments we are making to the rule as a result of the comments.

Executive Order 12291 and Regulatory Flexibility Act

We are issuing this rule in conformance with Executive Order 12291, and we have determined that it is not a "major rule." Based on information compiled by the Department, we have determined that this rule will have an effect on the economy of less than $100 million; will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and will not cause a significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

For this action, the Office of Management and Budget has waived the

review process required by Executive Order 12291.

This regulation affects the interstate movement of regulated articles from portions of Los Angeles, Orange, San Bernardino and Riverside Counties in California. Approximately 205 entities within the newly regulated areas will be affected by this rule. All would be considered small entities. They include 71 fruit/produce markets, 102 commercial growers, 17 nurseries and 2 swapmeets. These entities comprise less than 1 percent of the total of similar enterprises operating in the State of California. Most of these small entities sell regulated articles primarily for local intrastate movement, not interstate movement, and the sale of these articles would not be affected by this regulation. Many of these entities sell other items in addition to the regulated articles so that the effect, if any, of this regulation on these entities appears to be minimal. Further, the conditions in the Mediterranean fruit fly regulations and treatments in the Plant Protection and Quarantine Treatment Manual, incorporated by reference in the regulations, allow interstate movement of most articles without significant added costs.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act.

The regulations in this subpart contain no new information collection or recordkeeping requirements under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*).

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR part 3015, subpart V).

List of Subjects in 7 CFR Part 301

Agricultural commodities, Plant diseases, Plant pests, Plants (agriculture), Quarantine, Transportation, Mediterranean fruit fly, Incorporation by reference.

Accordingly, 7 CFR part 301 is amended as follows:

PART 301—DOMESTIC QUARANTINE NOTICES

1. The authority citation for 7 CFR part 301 continues to read as follows:

Authority: 7 U.S.C. 150bb, 150dd, 150ee, 150ff; 161, 162, and 164–167; 7 CFR 2.17, 2.51, and 371.2(c).

2. Section 301.78–3, paragraph (c), is revised to read as follows:

§ 301.78–3 Quarantined areas.

* * * * *

(c) The areas described below are designated as quarantined areas:

California

Los Angeles, Orange, and San Bernardino Counties

That portion of the counties in the San Fernando Valley, San Gabriel Valley, Pomona, Rancho Cucamonga, Ontario, Diamond Bar, Garden Grove, and Westminster areas bounded by a line drawn as follows: Beginning at the intersection of State Highway 30 and Towne Avenue; then southerly along this avenue to its intersection with State Highway 60; then westerly along this highway to its intersection with the Los Angeles-San Bernardino County line; then southerly and westerly along this county line to its intersection with the Los Angeles-Orange County line; then westerly along this line to its intersection with State Highway 57; then southerly along this highway to its intersection with Bristol Street; then southerly along this street to its intersection with Segerstrom Avene; then westerly along this avenue to its intersection with Slater Street; then westerly along this street to its intersection with Springdale Street; then northerly along this street to its intersection with Edinger Avenue; then westerly along this avenue to its intersection with Bolsa Chico Road; then northerly along this road to its intersection with Interstate Highway 405; then northwesterly and westerly along this highway to its intersection with Interstate Highway 605; then northerly along this highway to its intersection with Carson Street; then westerly along this street to its intersection with Lakewood Boulevard; then northerly along this boulevard to its intersection with Del Amo Boulevard; then westerly along this boulevard to its intersection with Downey Avenue; then northerly along this avenue to its intersection with Artesia Boulevard; then westerly along this boulevard to its intersection with State Highway 91; then westerly along this highway to its intersection with Wilmington Avenue; then southerly along this avenue to its intersection with University Drive; then westerly along this drive to its intersection with Avalon Boulevard; then southerly along this boulevard to its intersection with 192nd Street; then westerly along this street to its intersection with Main Street; then southwesterly along this street to its intersection with Interstate Highway 405; then northwesterly along this highway to its intersection with Prairie Avenue; then northerly along this avenue to its intersection with Florence Avenue; then easterly along this avenue to its intersection with Vermont Avenue; then northerly along this avenue to its intersection with Slauson Avenue; then easterly along this avenue to its intersection with Central Avenue; then northerly along this avenue to its intersection with 41st Street; then easterly along this street to its intersection with 38th Street; then easterly along this street to its intersection with 37th street; then easterly along this street to its intersection with Soto Street; then northeasterly along this street to its intersection with Whittier Boulevard; then westerly along this boulevard to its intersection with 6th Street; then northwesterly along this street to its intersection with Broadway; then southwesterly along Broadway to its intersection with Interstate Highway 10; then westerly along this highway to its intersection with Western Avenue; then northerly along this avenue to its intersection with Venice Boulevard; then westerly along this boulevard to its intersection with Crenshaw Boulevard; then northeasterly along this boulevard to its intersection with Olympic Boulevard; then westerly along this boulevard to its intersection with Highland Avenue; then northerly along this avenue to its intersection with U.S. Highway 101; then northeasterly along this highway to its intersection with Interstate Highway 405; then northerly along this highway to its intersection with Victory Boulevard; then westerly along this boulevard to its intersection with Balboa Boulevard; then northerly along this boulevard to its intersection with Foothill Boulevard; then easterly and southerly along this boulevard to its intersection with Maclay Avenue; then northeasterly along this avenue to its intersection with Interstate Highway 210; then southeasterly along this highway to its intersection with Paxton Street; then northeasterly along this street to its intersection with the Los Angeles city limits; then northerly, easterly, and southerly along the Los Angeles city limits to its intersection with the Glendale city limits; then southerly along the Glendale city limits to its intersection with the Angeles National Forest boundary; then easterly, southerly, and easterly along this boundary to its intersection with the Pasadena city limits; then northerly, easterly, and southerly along the Pasadena city limits to its intersection with the Angeles National Forest boundary, then southerly and easterly along this boundary to its intersection with the Sierra Madre city limits; then northerly and easterly along the Sierra Madre city limits to its intersection with the Arcadia city limits; then easterly along the Arcadia city limits to its intersection with the Monrovia city limits; then northerly and easterly along the Monrovia city limits to its intersection with the Duarte city limits; then easterly and southerly along the Duarte city limits to its intersection with the Azusa city limits; then easterly and southerly along the Azusa city limits to its intersection with the Glendora city limits; then northerly and easterly along the Glendora city limits to its intersection with the San Dimas city limits; then easterly and southerly along the San Dimas city limits to its intersection with the Angeles National Forest boundary; then easterly along this boundary to its intersection with the La Verne city limits; then northerly, easterly, and southerly along the La Verne city limits to its intersection with the Angeles National

Forest boundary to its intersection with the San Bernardino National Forest boundary; then east along this boundary to its intersection with Rancho Cucamonga city limits; then easterly along the city limits to its intersection with the San Bernardino National Forest boundary; then south and east along the city limits to its intersection with Rochester Avenue; then south along this avenue to its intersection with 8th street; then west along this street to its intersection with Miliken Avenue; then south along this avenue to its intersection with Interstate Highway 10; then west along this highway to its intersection with Holt Boulevard; then west along this boulevard to its intersection with Grove Avenue; then southerly along this avenue to its intersection with Philadelphia Street; then west along this street to its intersection with Towne Avenue; then south along this avenue to the point of beginning.

Riverside County

That portion of the county near Arnold Heights, Glenn Valley, Woodcrest, and Riverside areas bounded by a line drawn as follows: Beginning at the intersection of Washington Street and Victoria Avenue; then easterly along this avenue to its intersection with Arlington Avenue; then easterly along this avenue to its intersection with Chicago Avenue; then northeasterly along this avenue to its intersection with Central Avenue; then easterly along this avenue to its intersection with Interstate Highway 215/State Highway 60; then southeasterly and easterly along State Highway 60 to its intersection with Perris Boulevard; then southerly along this boulevard to its intersection with Placentia Avenue; then westerly along this avenue to its end; then westerly along an imaginary line to Mack Street; then westerly along this street to its end; then westerly along an imaginary line to its intersection with Multiview Drive and Gavalan Road; then northerly along this road to its intersection with Cajalco Road; then westerly along this road to its intersection with El Sobrante Road; then northwesterly along this road to its intersection with Mockingbird Canyon Road; then northwesterly along this road to its intersection with Van Buren Boulevard; then easterly along this boulevard to its intersection with Lovebird Lane; then northerly along this lane to its end; then northeasterly along an imaginary line to Corsica Avenue; then northerly along this avenue to its intersection with Washington Street; then northerly and northwesterly along this street to the point of beginning.

Santa Clara County

That portion of the county in the Mountain View area bounded by a line drawn as follows: Beginning at the intersection of State Highway 237 and Lawrence Expressway; then southerly aong this expressway to its intersection with Interstate Highway 280; then northwesterly along this highway to its intersection with Page Mill Road; northeasterly along this road to its intersection with Oregon Expressway; then northeasterly along this expressway to its intersection with U.S. Highway 101; then northwesterly along this highway to its intersection with San Francisquito Creek; then northeasterly along this creek to its intersection with this San Francisco Bay shoreline; then southeasterly along this shoreline to its intersection with Guadalupe Slough; then southerly along this slough to its end; then southerly along an imaginary line drawn from the end of Guadalupe Slough to the point of beginning.

Done in Washington, DC, this 4th day of May 1990.

James W. Glosser,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 90-10808 Filed 5-8-90; 8:45 am]

BILLING CODE 3410-34-M

Agricultural Stabilization and Conservation Service

Commodity Credit Corporation

7 CFR Part 704

Conservation Reserve Program (CRP)

AGENCY: Agricultural Stabilization and Conservation Service, Commodity Credit Corporation, USDA.

ACTION: Final rule.

SUMMARY: This rule adopts, without change, the following interim rules which revised CFR part 704 for the Conservation Reserve Program: (1) the interim rule published on July 22, 1987, at 52 FR 27536–27537; (2) the interim rule published on January 12, 1988, at 53 FR 733–735; and (3) the interim rule published on January 10, 1989, at 54 FR 801–803. These interim rules amended: the liquidated damages provisions of these regulations; and expanded CRP land-eligibility criteria to encourage the planting of trees and to permit the enrollment, if appropriate conditions were met, of "filter strips", land subject to scour erosion, and cropped wetlands.

EFFECTIVE DATE: May 9, 1990.

FOR FURTHER INFORMATION CONTACT: James R. McMullen, Director, Conservation and Environmental Protection Division, ASCS, P.O. Box 2415, Washington, D.C. 20013, (202) 447–6221. A Final Regulatory Impact Analysis of this regulation is available upon request.

SUPPLEMENTARY INFORMATION: This final rule has been reviewed under USDA procedures established in accordance with Executive Order 11291 and provisions of Departmental Regulations 1512-1 and has been determined to be "nonmajor". It has been determined that the provisions of this rule will not result in an annual effect on the national economy of $100 million or more.

It has been determined that the Regulatory Flexibility Act is not applicable to this rule since the Commodity Credit Corporation (CCC) is not required by 5 U.S.C. 533 or any other provision of law to publish a notice of proposed rule-making with respect to the subject matter of this rule.

It has been determined by an environmental assessment that this action will not have a significant adverse impact on the quality of the human environment. Therefore, an environmental impact statement is not needed. Copies of the environmental assessment are available upon request.

The title and number of the Federal Assistance Program to which this rule applies is: Conservation Reserve Program—10.069 as found in the Catalog of Federal Domestic Assistance.

This program/activity is not subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. See Notice related to 7 CFR Part 3015, subpart V, published at 48 FR 29115 (June 24, 1983).

The Conservation Reserve Program (CRP) was authorized and provided for in Title XII of the Food Security Act of 1985. CRP regulations appear in 7 CFR Part 704.

An interim rule published on July 22, 1989, amended 7 CFR 704.7, 704.21, and 704.22. That rule amended the liquidated damages provisions of the regulations to provide for liquidated damages whether or not the participant in the CRP has received any payments under the contract. Also, that rule provided that land would be considered highly erodible for purposes of subsequent enrollments if the land met either of two standards.

An interim rule published on January 12, 1988, amended § 704.7. That rule expanded CRP land-eligibility provisions to permit, in certain cases, the enrollment of land suitable for use as "filter strips". That rule also provided with respect to fields that will be planted to trees, that the land may qualify for the program if at least one-third of the field meets the erosion criteria in the regulations. Normally, two-thirds of the land in the field must meet that criteria.

An interim rule published on January 10, 1989, amended § 704.7. That rule permitted enrollment, under certain conditions, of lands subject to scour erosion and cropped wetlands.

Comments

One comment suggested that the revision of the liquidated damages provision should not be effective until

the interim rule became final. This suggestion was not adopted as the changed rule involved a matter of voluntary contract, encouraged program compliance, and only affected contracts executed after publication of the interim rule.

With respect to the part of the July 1987 rule which dealt with filter strips, two comments suggested that some type of targeting be used to identify areas threatened by agricultural nonpoint sources of pollution and to maximize water-quality benefits. Other comments suggested that a preference should be given for those areas with woody vegetation, that the contract period for filter strips should be increased to 15 years to encourage greater CRP participation, and that certain wetland areas should be included in the program. Another comment suggested that the areas enrolled as filter strips be "squared up" so that the areas would be uniform. Still another suggested that specific criteria be developed for filter strips to insure the reduction of sedimentation. One comment suggested, more generally, that regulations should be developed which would encouraged States to "piggyback" on the CRP by providing additional payments for CRP participants.

Wetland and scour erosion eligibility was added by the interim rule published in 1989. Otherwise, no adjustments to the land eligibility provisions of the regulations were deemed needed or appropriate. The filter strip allowance covered only areas that had a history of crop production. This was consistent with the multiple purposes served by the program, the statutory provisions governing the program, and with the requirements for all other CRP contracts. Also, there was no need perceived for having a longer term for filter strip contracts than other CRP contracts or for offering to extend all CRP contracts to 15-year terms. A ten year basic rental period for all CRP contracts under current statutory authority was determined to be sufficient given the uncertainty about long-term crop production, the existence of the "sodbuster" and "swampbuster" provisions of the 1985 Act, budgetary considerations, changing conservation standards, and the CCC's ability to negotiate longer-terms in the future. Insofar as filter strip "squaring up", the adopted rule was determined to be sufficient as it specifically allows for the accepted area to be expanded beyond the standard 1.0 to 1.5 chain lengths as needed to meet Soil Conservation Service Field Office Technical Guide criteria. Also, it was determined proper and appropriate for the rules to allow individual case-by-case determinations of whether the area to be included in the program as filter strips would produce a sufficient reduction in sediment to warrant inclusion in the program. This allows the program to be tailored to the particular circumstances surrounding the area offered for inclusion and for flexibility in accepting bids based on general levels of interest in the program. Regarding "piggybacking", the Department has encouraged efforts by States to provide additional incentives for participation in the CRP consistent with the federal interest in the program and several states have programs in place for that purpose.

The comments generally favored the "one-third" predominance test for tree planting, and the inclusion of scour erosion lands and cropped wetlands in the program. One comment suggested that the CCC's cost-share rate for planting trees be 75 percent. By statute, it cannot exceed 50 percent. One comment suggested that CRP plantings should include windbreak plantings. Plantings on eligible land can already include the planting of windbreaks where needed. Also, there are other Departmental programs available for planting windbreaks. One comment suggested that the expansion of the eligibility criteria would unnecessarily bring nonsensitive lands into the program. Eligibility determinations for the CRP are made on a "field" basis. In all cases, land is eligible for the program under the regulations, before and after the interim rules, only if there is substantial erosion in the field or if the land is otherwise environmentally sensitive. The erosion standard was relaxed somewhat for trees because of the statutory preference for tree planting and the longer-term conservation benefits involved in tree planting.

List of Subjects in 7 CFR Part 704

Administrative practice and procedures, Conservation plan, Contracts, Technical assistance, Natural resources, Wildlife.

Final Rule

PART 704—[AMENDED]

Accordingly:

1. The table of authorities for 7 CFR part 704, Conservation Reserve Program, shall continue to read as follows:

Authority: Secs. 1201, 1231–1244, Pub. L. 99–198, 99 Stat. 1354, as amended (16 U.S.C. 3831–3834).

2. The following interim rules which amended 7 CFR part 704 are adopted, without change, as final rules: (1) the interim rule published on July 22, 1987, at 52 FR 27536–27537; (2) the interim rule published on January 12, 1988, at 53 FR 733–735; and (3) the interim rule published on January 10, 1989, at 54 FR 801–803.

Signed at Washington, DC, on May 2, 1990.

Keith D. Bjerke,

Executive Vice President, Commodity Credit Corporation and Administrator Agricultural Stabilization and Conservation Service.

[FR Doc. 90–10816 Filed 5–8–90; 8:45 am]

BILLING CODE 3410-05-M

Farmers Home Administration

7 CFR Part 1980

Disaster Assistance for Rural Business Enterprises

AGENCY: Farmers Home Administration, USDA.

ACTION: Final rule.

SUMMARY: The Farmers Home Administration (FmHA) is amending its regulations to provide procedures for guaranteeing loans to rural businesses impacted by drought, freeze, storm, excessive moisture, earthquake, or related conditions in 1988 or 1989. This action is needed to implement Section 401 of the Disaster Assistance Act of 1989 and amendments. The intended effect of this action is to provide loan guarantees to businesses in rural areas which suffered losses to distress as a result of drought, freeze, storm, excessive moisture, earthquake, or related conditions in 1988 or 1989.

EFFECTIVE DATE: May 9, 1990.

FOR FURTHER INFORMATION CONTACT: Beverly I. Craver, Loan Specialist, Business and Industry Division, Farmers Home Administration, USDA, Washington, DC 20250, Telephone (202) 475–3805.

SUPPLEMENTARY INFORMATION:

Classification

This action has been reviewed under USDA procedures established in Departmental Regulation 1512–1, which implements Executive Order 12291 and has been determined to be non-major. This action will not result in an annual effect on the economy of $100 million or more; a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies or geographic regions; or significant adverse effects on competition, employment, investment, productivity, innovation, or on the

ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Environmental Impact Statement

This document has been reviewed in accordance with 7 CFR part 1940 Subpart G, "Evironmental Program." It is the determination of FmHA that the action does not constitute a major Federal action significantly affecting the quality of the human environment, and in accordance with the National Environmental Policy Act of 1969, Public Law 91–190, an Environmental Impact Statement is not required.

Intergovernmental Review

This program is listed in the Catalog of Federal Domestic Assistance under number 10.422, and is subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. (7 CFR part 3105; subpart V; 48 FR 29112, June 24, 1983; 49 FR 2267, May 31, 1984; 50 FR 14088, April 10, 1985.)

Discussion of the Rule

FmHA is implementing section 401 of the Disaster Assistance Act of 1989 by adding an appendix for this new program at the end of its Business and Industry loan program. The Disaster Assistance Act of 1989 was amended on November 21, 1989, to include earthquakes in the types of eligible natural disasters.

The regulations for the Disaster Assistance for Rural Business Enterprises guaranteed loan program were published as an interim rule, in 54 FR 42480 on October 17, 1989, with a 60-day comment period. Amendments to the October 17, 1989, publication were published as an interim rule in 55 FR 136 on January 3, 1990, with a 30-day comment period.

No comments have been received regarding the above Federal Register publications. The interim rules stand as published except for the amendment to allow earthquakes as an eligible disaster, necessitated by an amendment (Pub. L. 101–220) dated December 12, 1989, to the Disaster Assistance Act of 1989 (Pub. L. 101–82).

List of Subjects in 7 CFR Part 1980

Loan programs—Business and industry and Rural development assistance, Rural areas.

Accordingly, the interim rules published on October 17, 1989, (54 FR 42480), and January 3, 1990, (55 FR 136) are adopted as a final rule with the following amendments:

PART 1980—GENERAL

1. The authority citation for part 1980 is revised to read as follows:

Authority: 7 U.S.C. 1989; 42 U.S.C. 1480; 5 U.S.C. 301; Pub. L. 100–387; Pub. L. 101–82; Pub. L. 101–220; 7 CFR 2.23; 7 CFR 2.70.

Subpart A—General

2. Section 1980.6(a) is amended by revising the definition for Disaster Assistance for Rural Business Enterprises, to read as follows:

§ 1980.6 Definitions and abbreviations.

(a) * * *

Disaster Assistance for Rural Business Enterprises. Guaranteed loans authorized by Section 401 of the Disaster Assistance Act of 1989 (Pub. L. 101–82), providing for the guarantee of loans to assist in alleviating distress caused to rural business entities, directly or indirectly, by drought, freeze, storm, excessive moisture, earthquake, or related conditions occurring in 1988 or 1989, and providing for the guarantee of loans to such rural business entities that refinance or restructure debt as a result of losses incurred, directly or indirectly, because of such natural disasters. See subpart E of this part and its appendices, especially appendix K, containing additional regulations for these loans.

* * * * *

Subpart E—Business and Industrial Loan Program

3. Section 1980.401(c) is amended in the last sentence by adding the word "earthquake" after the phrase "excessive moisture."

4. In § 1980.402 the definition of "Disaster Assistance for Rural Business Enterprises" is amended in the first sentence by adding the word "earthquake" after the phrase "excessive moisture."

5. Section 1980.500 is revised to read as follows:

§ 1980.500 OMB control number.

The reporting and recordkeeping requirements contained in this regulation have been approved by the Office of Management and Budget and have been assigned OMB control number 0575–0029. Public reporting burden for this collection of information is estimated to vary from 5 minutes to 58 hours per response, with an average of 4 hours per response including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Department of Agriculture, Clearance Officer, OIRM, Room 404–W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB# 0575–XXXX), Washington, DC 20503.

6. In appendix K of subpart E, the introductory text of paragraph A, is amended by adding the word "earthquake" after the phrase "excessive moisture," in the second and third sentences.

7. In appendix K of subpart E, the introductory text of paragraph B is amended in the second sentence by adding the word "earthquake" after the phrase "excessive moisture."

Dated: March 15, 1990.

La Verne Ausman,

Administrator, Farmers Home Administration.

[FR Doc. 90–10817 Filed 5–8–90; 8:45 am]

BILLING CODE 3410-07-M

Animal and Plant Health Inspection Service

9 CFR Part 85

[Docket No. 89–211]

Pseudorabies

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: We are amending the pseudorabies regulations to allow certain interstate movements of swine based on compliance with new herd vaccination and testing procedures. The effect of this action will be to allow an additional option for the interstate movement of swine without presenting a significant risk of pseudorabies being spread interstate.

EFFECTIVE DATE: July 9, 1990.

FOR FURTHER INFORMATION CONTACT: Dr. William Stewart, Chief Staff Veterinarian, Swine Diseases Staff, VS, APHIS, USDA, room 736, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782, 301–436–7767.

SUPPLEMENTARY INFORMATION:

Background

Pseudorabies, also known as Aujeszky's disease, mad itch, and infectious bulbar paralysis, is caused by a herpes virus and is primarily a disease of swine. The regulations in 9 CFR part 85 (referred to below as the regulations)

govern the interstate movement of swine and other livestock in order to help prevent the spread of pseudorabies. Swine are allowed to be moved interstate under specific conditions, as provided in §§ 85.3 through 85.13 of the regulations.

The specific conditions that apply depend, in part, upon whether the swine are known to be infected with or exposed to pseudorabies. Swine known to be infected with or exposed to the disease may be moved interstate under very restrictive conditions to prevent the interstate spread of the disease. Swine not known to be infected with or exposed to pseudorabies may be moved interstate under less restrictive conditions. Within the latter category, swine vaccinated for pseudorabies have been subject to tighter controls than unvaccinated swine. These controls have been necessary because vaccination, while increasing resistance to pseudorabies, does not confer immunity, and traditional tests have been unable to distinguish vaccinated swine from infected swine.

Recent advances in biotechnology, however, have led to the creation of products that make it possible to tell whether vaccinated swine are infected with pseudorabies. These products, referred to below as "differential tests" and "gene-altered vaccines," offer a way for vaccinated swine to be moved interstate under less restrictive conditions.

In a docket published in the **Federal Register** on October 31, 1989 (54 FR 45739–45743, Docket No. 89–022), we proposed to approve one differential pseudorabies test for use in determining the eligibility of certain swine for interstate movement. We also proposed to revise the regulations to provide for the interstate movement of swine from herds vaccinated and tested with the new products.

The differential test we proposed to approve is the "HerdChek® anti-pseudorabies virus glycoprotein X enzyme-linked immunosorbent assay test" (referred to below as the "HerdChek® test" or HerdChek®"). When used in conjunction with its complementary vaccine, the "PRV/Marker™ vaccine," the test can distinguish between antibodies produced in response to the field strain of the pseudorabies virus and antibodies produced in response to the new vaccine.

We solicited comments on the proposed rule for 30 days, ending November 30, 1989. We received 27 comments by the close of the comment period. The comments were from representatives of the veterinary biologics industry, State animal health officials, livestock producers and associations, veterinarians and veterinary laboratory diagnosticians, and a U.S. Senator. These comments were carefully considered, and the issues they raised are discussed below. We have made several changes to the proposed rule based on these comments. Except as noted, we are adopting the proposed rule as final based on the reasons set forth in the proposal.

Use of Other Vaccines and Tests

A number of commenters maintained that the rule should allow use of other differential tests with their complementary vaccines, in addition to the HerdChek® test and the PRV/Marker™ vaccine.

At the time our proposal was initiated, HerdChek® was the only differential pseudorabies test that had been licensed and recommended for use in the Cooperative State-Federal Pseudorabies Eradication Program. We anticipate that other similar products will be licensed for use in the program, and agree that the rule should allow for their use as this occurs. Therefore, all references to the "HerdChek® anti-pseudorabies virus glycoprotein X enzyme-linked immunosorbent assay test (HerdCheck® anti-PRV/gpX ELISA test)," "PRV Marker™ vaccine," and "PRV/Marker vaccinate swine" have been removed. In their places are the following new terms: "Approved differential pseudorabies test," "Official gene-altered pseudorabies vaccine," and "Official gene-altered pseudorabies vaccine," and "Official gene-altered pseudorabies vaccinate." Also, the term "Qualified PRV/marker vaccinated/gpX negative herd" has been replaced with "Qualified negative gene-altered vaccinated herd."

We have defined "Approved differential pseudorabies test" as: Any test for the diagnosis of pseudorabies that: (1) Can distinguish vaccinated swine from infected swine; (2) is produced under license from the Secretary of Agriculture under the Virus-Serum-Toxin Act of March 4, 1913, and any subsequent amendments (21 U.S.C. 151 *et seq.*) with indications for use in the Cooperative State-Federal Pseudorabies Eradication Program; and (3) is conducted in a laboratory approved by the Administrator.

A footnote to the definition of "Approved differential pseudorabies test" states that the names and addresses of laboratories approved by the Administrator to conduct these tests are published in the Notices Section of the **Federal Register**, and are also available upon request from the Administrator, c/o The Swine Diseases Staff, VS, APHIS, USDA, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782.

The footnote also provides information on the procedures for approving and withdrawing approval of these laboratories, as follows: State, Federal, and university laboratories will be approved by the Administrator when he or she determines that the laboratory: (1) Employs personnel trained at the National Veterinary Services Laboratories assigned to supervise the testing; (2) follows standard test protocols; (3) meets check test proficiency requirements; and (4) will report all test results to State and Federal animal health officials. Before the Administrator may withdraw approval of any laboratory for failure to meet any of these conditions, the Administrator must give written notice of the proposed withdrawal to the director of the laboratory, and must give the director an opportunity to respond. If there are conflicts as to any material fact, a hearing will be held to resolve the conflict. These procedures are exactly the same as those published in 9 CFR 85.1 for laboratories approved under 9 CFR part 85 to conduct official tests.

The Notices Section in this same issue of the **Federal Register** contains a notice, "Pseudorabies" (Docket No. 90–010), that lists the laboratories approved to conduct approved differential pseudorabies tests.

Expanded Use

A number of commenters stated that the proposed rule would have extremely limited value for producers and State regulatory officials because vaccinated negative status, and the interstate movement provisions associated with it, would be available only to herds in which no swine were vaccinated for pseudorabies at the time the proposed changes became effective. They maintained that herds already vaccinated with a gene-altered vaccine should be provided a means of achieving negative status, and that gene-altered vaccines and differential tests should be approved for use in removing herds from quarantine. Some of these commenters maintained that we should give official test status to the differential pseudorabies test.

In supporting their views, several commenters cited successful experiences by State regulatory officials over the past year in using HerdChek® to identify infection in vaccinated herds. One commenter enclosed a copy of an article, accepted for publication in a scientific journal, describing research on the detection of antibodies to the

glycoprotein X antigen of pseudorabies virus.

APHIS is aware that both research and field experiences over the past 12–18 months have demonstrated the reliability of the HerdChek* test in detecting infection in herds containing PRV/Marker™ vaccinates. Much of this information was not available when we initiated the proposed rule. Therefore, our proposal did not allow for vaccinated herds to achieve negative status. Current information, as noted by the commenters, indicates that herds in which swine have been vaccinated with a gene-altered vaccine can be allowed to achieve negative status and qualify for interstate movement under less restrictive conditions than at present. Our final rule contains provisions for establishing the qualified negative vaccinated status of herds in which swine have been previously vaccinated with a gene-altered vaccine. These provisions include conditions for removing herds from quarantine. The specific provisions are discussed below.

Our final rule does not, however, give "official pseudorabies test" status to any differential pseudorabies test. Official pseudorabies serologic tests may be used to qualify individual animals for interstate movement. The HerdChek* test was recommended, by its manufacturer and both the American Association of Veterinary Laboratory Diagnosticians and the U.S. Animal Health Association, as a diagnostic test for herds, but not for individual animals, because the test is less sensitive than standard serological procedures in detecting pseudorabies virus antibodies.

Approval of Multiple Products

One commenter, while advocating use of other differential tests with their complementary vaccine, in addition to the HerdChek* test and the PRV/Marker™ vaccine, pointed out the need for some mechanism to show which vaccine had been used in a herd. This information must be required because each approved differential test would be designed for use in conjunction with a specific vaccine. Use of the wrong differential test could yield false positive results.

We agree, and our final rule contains two provisions for keeping track of the vaccine used in a herd. First, we are requiring that no more than one official gene-altered pseudorabies vaccine be used in any herd seeking either removal from quarantine or establishment as a qualified negative gene-altered vaccinated herd. This means that all testing in the herd can be done with the same differential pseudorabies test. It would be difficult, if not impossible, to keep swine with different vaccines in the same herd and identify the individual swine to a particular vaccine. Second, any swine moved interstate from a qualified negative gene-altered vaccinated herd, for purposes other than slaughter, must be accompanied by a certificate that states the official gene-altered pseudorabies vaccine used in the herd.

Establishing Pseudorabies Negative Gene-Altered Vaccinated Status

For reasons explained earlier in this Supplementary Information, we proposed to restrict vaccinated negative status to herds in which no swine had been previously vaccinated for pseudorabies. In response to comments, our final rule contains conditions under which herds with gene-altered pseudorabies vaccinates can qualify for negative status ("Qualified negative gene-altered vaccinated herd"). Also in response to comments, we have revised our proposal by making it easier for qualified pseudorabies negative herds to be reclassified as qualified negative gene-altered vaccinated herds, by eliminating post-vaccination testing to establish vaccinated negative status, and by making certain other modifications. Each of these changes is discussed below.

Qualified Pseudorabies Negative Herds

With respect to reclassification of qualified pseudorabies negative herds, several commenters asserted that an initial whole herd test should not be required; that the monthly or quarterly tests to maintain status as a qualified pseudorabies negative herd would be sufficient to confirm the negative status of the herd before vaccination. We agree, and our final rule allows qualified pseudorabies negative herds to be reclassified as qualified negative gene-altered vaccinated herds immediately upon vaccination of all swine 6 months of age or older with an official gene-altered pseudorabies vaccine.

Other Herds in Which No Swine Are Vaccinated for Pseudorabies and No Swine Are Known To Be Infected With or Exposed to Pseudorabies

Several commenters objected to the proposed requirement for post-vaccination testing of swine to establish the negative status of the herd. They argued that testing with the standard pseudorabies serologic tests would only confirm the expected, that is, that gene-altered vaccinated swine develop antibodies that react to these tests. They further stated that differential testing of the herd at 35 days or more following vaccination should not be required, since routine monthly or quarterly testing with the differential test, required for maintaining the herd's status, would be adequate to detect infection that might occur following vaccination. We agree, and our final rule does not require post-vaccination testing to establish herd status.

Two commenters questioned the need to have two slightly different time periods—30 and 35 days—between various qualifying activities for establishing and maintaining herd status. They felt that these time periods should be consistent where possible to reduce the chances of error.

Our proposed rule called for an interval of not less than 35 days between vaccination and follow-up testing to attain negative herd status. The requirement for post-vaccination testing has been removed. Our proposal called for a 35-day time period in only one other place, proposed paragraph (b)(2)(iii) of the definition of "Qualified PRV/Marker vaccinated pgX negative herd." This paragraph concerned the addition of swine to a herd. It provided that swine that are moved to a qualified PRV/Marker vaccinated herd (now "qualified negative gene-altered vaccinated herd") from a herd with the same status, and that have contact en route with swine other than those from a herd with the same status or from a qualified pseudorabies negative herd, must, before being added, be isolated until they are found negative to a HerdChek* anti-PRV-gpX ELISA test (now "approved differential pseudorabies test") conducted 35 days or more after the swine are isolated. A review of data pertaining to detection of antibodies by the HerdChek* anti-PRV-gpX ELISA test indicates that a 30-day time period would be acceptable. Therefore, our final rule requires testing with an approved differential pseudorabies test 30 days or more after the swine are isolated.

One commenter questioned the requirement in proposed paragraph (a)(2) of the definition of "Qualified PRV/Marker vaccinated gpX negative herd" that certain testing be conducted "Within 30 to 60 days" after a previous test. The commenter stated that the upper limit is unnecessary since the longer the time period between tests, the more accurate the results. We agree. The second test may not be conducted for at least 30 days after the first test, and would normally be conducted within 30 to 60 days afterwards, but an upper limit of 60 days is not necessary. Our final rule states that the test must be conducted "not less than 30 days after" the first test.

One commenter maintained that the proposed 15-day period for vaccination of a herd after test results show the herd to be negative is insufficient. He offered 30 days as a more realistic time limit for vaccinating a herd. Because vaccination for pseudorabies increases resistance to the disease, it is preferable to vaccinate as soon as possible after test results show the herd to be negative. We believe that the commenter's request for 30 days is reasonable, though, and would not significantly increase the chances for exposure of the herd to pseudorabies following the testing. Therefore, our final rule allows a 30-day period for vaccinating the herd after test results show the herd to be negative for pseudorabies.

One commenter recommended that we remove the proposed requirement for disinfecting premises after removal of any swine positive to the initial pseudorabies serologic test required to establish herd status. He maintained that disinfection of premises is impractical and serves no useful purpose unless all animals are first removed from the premises. We agree, and further acknowledge that this requirement would not provide any significant protection to the herd since the swine retained in the herd would already have been exposed to the positive animals. Therefore, our final rule does not contain this requirement.

Two commenters suggested that our requirements for achieving and maintaining the status of the herd should allow retesting to check any positive results. Our proposal required removal of any positive swine from the herd. We agree that retesting should be allowed since, as with any serology test, some false positive results may occur. However, because the swine may be infected, our final rule allows them to be retested only if they are isolated from the remainder of the herd until retesting shows them to be negative or until they are removed from the herd. Further, to ensure prompt determination of herd status, our final rule requires retesting within 30 days of the initial test. Thirty days should provide sufficient time for laboratory work to be completed on the first test and for retesting.

Herds That Contain Official Gene-altered Pseudorabies Vaccinates, and in Which No Swine Are Known To Be Infected With or Exposed to Pseudorabies:

In response to comments discussed earlier in the Supplementary Information, our final rule contains provisions for establishing the negative status of herds that contain official gene-altered pseudorabies vaccinates, and in which no swine are known to be infected with or exposed to pseudorabies. The specific provisions are identical to those for establishing the negative status of herds in which no swine are vaccinated for pseudorabies and no swine are known to be infected with or exposed to pseudorabies, except that the initial qualifying test is an approved differential pseudorabies test, rather than an official pseudorabies serologic test.

Provisions for Removing Herds From Quarantine

The requirements for removing a herd from quarantine (removing classification as a "known infected herd") are contained in § 85.1, under the definition of "Known infected herd." Currently, removal of a herd from quarantine requires either depopulation, or negative results on tests of the herd with an official pseudorabies serologic test. Since herds containing gene-altered pseudorabies vaccinates would never show negative results on tests of the herd with an official pseudorabies serologic test, the only alternative at present for removing these herds from quarantine is depopulation. In response to comments, our final rule provides, additionally, that a herd containing gene-altered pseudorabies vaccinates and classified as a known infected herd shall no longer be classified as a known infected herd if:

All vaccinates have been vaccinated with the same official gene-altered pseudorabies vaccine; all swine positive to an approved differential pseudorabies test have been gone from the herd for at least 60 days; no livestock on the same premises as the herd have shown clinical signs of pseudorabies since removal of the positive swine; and the herd has been tested for pseudorabies and found negative. Testing of the herd for pseudorabies may be accomplished in any one of the following ways:

(1) All swine in the herd, except suckling swine, are tested with an approved differential pseudorabies test. If all tested swine are found negative, no further testing is required. If any swine test positive, they may be retested with an approved differential pseudorabies test within 30 days of the first test if they are isolated from the remainder of the herd until the retest shows them to be negative.

(2) All swine in the herd over 6 months of age and a random sample of 30 or more swine in each segregated group of swine in the herd between 2 and 6 months of age are tested with an approved differential pseudorabies test. Not less than 30 days nor more than 60 days after the first test, another random sample of 30 or more swine in each segregated group of swine in the herd between 2 and 6 months of age is tested with an approved differential pseudorabies test. If all swine are negative on these tests, no further testing is required. If any swine test positive on either of these tests, the positive swine may be retested with an approved differential test within 30 days of the initial test if they are isolated from the remainder of the herd until the retest shows them to be negative.

The two provisions differ from each other primarily with respect to the sample of swine tested. In the first provision, all swine in the herd, except suckling swine, must be negative to an approved differential pseudorabies test. Suckling swine can be assumed to have the same status as their dams. In the second provision, which may be more useful in large herds, all swine in the herd over 6 months of age and two random samplings of swine between 2 and 6 months of age must be negative to an approved differential pseudorabies test. A random sampling of at least 30 swine in each segregated group of swine in a herd provides a 95 percent probability of detecting infection in a herd in which 10 percent or more of the swine are seropositive for pseudorabies. Conducting two such random samplings boosts the probability of detecting infection to approximately 99.6 percent, assuming the herd was not exposed to pseudorabies between the samplings. The age groups specified (over 6 months and between 2 and 6 months) correspond with normal groupings of nonsuckling swine in herds.

We are allowing the retesting of any swine that initially test positive on an approved differential pseudorabies test because, as with any serologic test, some false positive results may occur. Because the swine may be infected, however, they must be isolated from the remainder of the herd until retesting within 30 days of the first test shows them to be negative. Thirty days should provide sufficient time for laboratory work to be completed on the first test and for retesting.

Where two random samplings of swine between 2 and 6 months of age are tested, we are requiring that testing of the second sample be done not less than 30 days nor more than 60 days after the first test. A minimum of 30 days will ensure sufficient time for any swine with low levels of infection to develop detectable antibodies. A maximum of 60 days will minimize the time during which the herd could be exposed to pseudorabies between samplings, while

providing enough time for laboratory work and for retesting.

We are requiring at least 60 days between removal of any positive swine and testing to ensure sufficient time for any swine with low levels of infection to develop detectable antibodies.

The provision that no livestock on the premises can have shown clinical signs of pseudorabies since removal of any positive swine provides further assurance that the herd is free of pseudorabies.

Designation of Suspect Category and "Official Pseudorabies Epidemiologists"

Several commenters requested that we clarify procedures for determining the disease status of both individual swine and herds with differential pseudorabies tests. Some of the commenters suggested setting up a "suspect category" for animals whose test results were inconclusive; one commenter recommended the use of "official pseudorabies epidemiologists" in determining the disease status of animals and herds.

Under the current regulations, pseudorabies infection in individual livestock or herds is determined based on testing with an official pseudorabies test or diagnosis by a veterinarian. (See the definitions for "Infected livestock" and "Known infected herd" in current § 85.1.) In response to comments, we have made two changes to these definitions in our final rule.

First, we have revised the definitions of "Infected livestock" and "Known infected herd" to provide for determination of pseudorabies infection based on testing with an approved differential pseudorabies test. This change is clearly in line with the intent of our proposal. Second, we are revising these definitions to clarify what we mean by "diagnosis by a veterinarian." Diagnosis by a veterinarian provides a means of resolving questions of individual animal and herd status. Under the terms of the State-Federal-Industry Standards for the National Cooperative Pseudorabies Eradication Program, adopted in 1989, the veterinarians who make these diagnoses are State or Federally employed veterinarians designated by the State animal health official and veterinarian in charge to investigate and diagnose suspected pseudorabies in livestock. These veterinarians are expected to have had training in the diagnosis and epidemiology of pseudorabies sufficient to qualify them to perform these tasks. Accordingly, we have changed the word "veterinarian" to "official pseudorabies epidemiologist" in the definitions for "Infected livestock" and "Known infected herd," and have defined "Official pseudorabies epidemiologist" as follows: "A State or Federally employed veterinarian designated by the State animal health official and the veterinarian in charge to investigate and diagnose pseudorabies in livestock."

Miscellaneous

Two commenters objected to the proposed rule on the grounds that the States they represent do not wish to accept swine vaccinated for pseudorabies. One of these commenters also objected to the lack of any requirement for obtaining the permission of animal health officials in the State of destination before moving swine interstate from qualified negative gene-altered vaccinated herds.

We have made no change to the rule based on these comments. We believe that vaccination of swine with approved gene-altered pseudorabies vaccines will increase the resistance of these swine to pseudorabies infection, and will contribute toward the eradication of pseudorabies from the United States. We have added provisions to the final rule that will allow producers and regulatory officials to determine which vaccine has been used in a herd. Differential tests allow gene-altered pseudorabies vaccinates to be distinguished from infected swine and swine vaccinated with conventional pseudorabies vaccines. Further, with respect to notification of State animal health officials, a copy of each certificate or permit issued under 9 CFR part 85 for the interstate movement of swine is required to be sent to the State animal health official of the State of destination within 3 days of the interstate movement of the swine covered by the document (see current § 85.10; redesignated § 85.11).

Several commenters requested that we establish separate procedures for maintaining the status of feeder pig herds in which swine are vaccinated with gene-altered pseudorabies vaccines. We have accepted these comments as a petition for rulemaking, and intend to publish these procedures, when they are developed, as a proposed rule.

We received one comment notifying us of patent litigation involving a gene-altered pseudorabies vaccine. This activity affects neither the pseudorabies regulations nor any person who complies with them.

We have also made editorial changes to the proposed rule to clarify the regulations.

Executive Order 12291 and Regulatory Flexibility Act

We are issuing this rule in conformance with Executive Order 12291, and we have determined that it is not a "major rule." Based on information compiled by the Department, we have determined that this rule will have an effect on the economy of less than $100 million; will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and will not cause a significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Our discussion of the impact of the proposed rule on small entities was premised on a single differential test and its complementary vaccine being used in a limited number of herds, primarily a small percentage of qualified pseudorabies negative herds. As discussed earlier in this Supplementary Information, a number of commenters maintained that the proposed rule was too narrowly focused. Many of these commenters asserted that the rule should allow use of other differential tests and their complementary vaccines, and several stated that tying the rule to HerdChek® and the PRV Marker™ vaccine would give an unfair market advantage to the manufacturers of those products. Other commenters stated that herds already containing gene-altered pseudorabies vaccinates would be at an economic disadvantage because the proposed rule did not provide any way for herds with gene-altered vaccinates to qualify for release from quarantine, or to achieve vaccinated negative status ("qualified negative gene-altered vaccinated herds" in this final rule).

In response to comments, this final rule will allow use of other differential tests, with their complementary vaccines, as they are licensed for use in the Cooperative State-Federal Pseudorabies Eradication Program. Also in response to comments, this final rule will enable known infected herds to qualify for release from quarantine using approved differential pseudorabies tests and their complementary gene-altered pseudorabies vaccines, and will enable herds with gene-altered vaccinates to achieve status as qualified negative gene-altered vaccinated herds.

Cost to Herd Owners

The costs to herd owners of using approved differential pseudorabies tests and their complementary vaccines to achieve status as a qualified negative gene-altered vaccinated herd or to remove a herd from quarantine, in accordance with this final rule, are set out below.

Qualified Pseudorabies Negative Herds

Approximately 3,235 herds in the United States are listed by U.S. Department of Agriculture and State regulatory officials as qualified pseudorabies negative herds. These herds supply most of the U.S. hog seedstock. Swine from these herds are subject to the least restrictive interstate movement requirements under 9 CFR part 85. Most of the producers of these herds can be classified as small entities.

To maintain status as qualified pseudorabies negative herds, these herds must undergo regular testing with official pseudorabies serologic tests, at a cost per animal of up to about $5.00 per year (some States absorb all or part of the laboratory costs for these tests). No swine in these herds are vaccinated for pseudorabies.

We estimate that owners of about 10 percent of these herds, or approximately 325 herds, will choose to use differential tests and their complementary vaccines as a risk management tool. The interstate movement requirements under 9 CFR part 85 for swine from these herds will be no more restrictive than the requirements for swine from qualified pseudorabies negative herds.

To achieve and maintain status as qualified negative gene-altered vaccinated herds, these 325 herds would require a total of approximately 180,000 doses of a gene-altered vaccine annually, at a cost of approximately $195,000 a year. These herds also would require a total of approximately 20,000 differential tests a year, at an annual cost of about $115,000. The cost of maintaining status as qualified negative gene-altered vaccinated herd would be no more than $8.00 per animal per year ($2.20 for vaccination and up to $5.80 for testing). This compares with a cost of up to $5.00 per animal per year to maintain status as a qualified pseudorabies negative herd. On average, the per animal operating costs for small swine-producers are $70 a year. An additional $3.00 would increase the per animal operating costs by 4 percent.

Herds Not Known To Be Infected

There are approximately 12,000 herds of swine in the United States, in addition to qualified pseudorabies negative herds, that are not known to be infected with pseudorabies. We estimate that 1 percent or less of these 12,000 herds will choose to become qualified negative gene-altered vaccinated herds. Most of the producers of these herds can be classified as small entities. To achieve this status, these 120 or so herds would require a total of approximately 10,000 official serologic tests, at a one-time cost of up to $50,000 (up to $5.00 per test). To maintain their status, these herds would require a total of approximately 23,000 doses of a gene-altered vaccine annually, at a cost of approximately $26,000 a year ($2.20 per animal). These herds also would require a total of approximately 7,000 differential tests a year, at an annual cost of up to $40,000 (up to $5.80 per animal).

Herds Known To Be Infected

There are approximately 6,300 known pseudorabies infected herds of swine in the United States, including about 2,000 that are in some type of a clean-up program. At present, the only way for these herds to achieve release from quarantine is by depopulating, or by removing swine that test positive to official pseudorabies serologic tests. Vaccination is not an option, since official pseudorabies serologic tests would show these swine to be positive for pseudorabies.

We estimate that about half of these herds will choose to use differential tests and their complementary gene-altered vaccines to eliminate pseudorabies from the herd. Most of the producers of these herds can be classified as small entities. We project that these herds will use differential tests and their complementary gene-altered vaccines to reduce the incidence of disease over a 2- to 3-year period before they will qualify for release from quarantine in accordance with this final rule. During this time, we estimate that the herds would use a total of approximately 8.3 million doses of gene-altered vaccines, at a cost of about $9.1 million. We estimate that a total of approximately 1.3 million differential tests would be used, at a cost of about $7.6 million.

We anticipate that, over the following 10 years, the remaining known infected herds and newly infected herds will enter programs geared to achieving release from quarantine using differential tests and their complementary vaccines. As these herds are released from quarantine, we estimate that vaccine use among these herds would decline over these 10 years from approximately 675,000 doses per year to about 75,000 doses per year. The cost to herd owners would decline from about $750,000 per year to $85,000 annually. We estimate that the number of differential tests used by these herds will decline over these 10 years from about 175,000 a year to about 20,000 a year. The cost to herd owners would decline from about $1 million annually to about $115,000 annually.

Benefits to Swine Producers

Use of differential pseudorabies tests or gene-altered vaccines is not required by the regulations. Producers' decisions to adopt this technology will depend on current disease exclusion costs, producers' perceptions of the risk of their herds being infected with pseudorabies, and their personal preferences about assuming risk. Herd owners will use these products only if they will benefit from doing so. The fact that most commenters requested expanded use of these products under the regulations in 9 CFR part 85 indicates that they believe these products will benefit both individual producers and the swine industry, although no dollar value for these benefits could be calculated for this analysis.

Because of the costs involved, we do not anticipate that any single herd owner will experience a significant economic benefit in the short term. The number of herds that we expect to use these products, in accordance with this final rule, also represents a small portion of the swine industry. The potential economic impact of these products being used outside the scope of 9 CFR part 85 was not considered for this analysis.

Economic Impact on Manufacturers of Gene-Altered Products

Some small businesses may realize an economic benefit through the sale of the gene-altered vaccines and differential test kits. We estimate that sales of the vaccines and test kits would total approximately $1.7 million a year for the first 2 to 3 years after this final rule becomes effective,with sales declining over the next 10 years from approximately $650,000 a year to $190,000 annually.

Since it is likely that more than one differential test and complementary gene-altered vaccine will be used under the regulations, different manufacturers would be competing for these dollars. As of March 5, 1990, only one of the dozen or so businesses that market pseudorabies vaccines or related products had a differential test that will be approved for use in the Cooperative State-Federal Pseudorabies Eradication

Program when this final rule becomes effective. Another of these businesses produces the complementary gene-altered pseudorabies vaccine for that differential test. Both of these businesses are small entities. Differential tests and gene-altered vaccines produced by one, and possible two, other manufacturers were expected to be approved for use in the Cooperative State-Federal Pseudorabies Eradication Program in the near future. Neither of these manufacturers is a small entity.

Sales of differential pseudorabies tests and gene-altered pseudorabies vaccines represent one facet of a small part of the $500 million-a-year veterinary biologics industry in the United States. USDA records indicate that approximately 25.2 million doses of pseudorabies vaccine were produced in the United States in 1988. These records also indicate that about 65 percent of annual production (19.8 million doses) is for domestic use. The approximate annual value of the United States pseudorabies vaccine market, at $10 million, is just 2 percent of the United States veterinary biologics market. Sales of the differential tests and gene-altered vaccines would represent an extremely small part of the overall veterinary biologics market.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act

The regulations in this proposal contain no new information collection or recordkeeping requirements under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*).

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to Executive Order 12372, which requires intergovernmental consultation with state and local officials. (See 7 CFR part 3015, subpart V.)

List of Subjects in 9 CFR Part 85

Animal diseases, Livestock, Pseudorabies, Quarantine, Reporting and recordkeeping requirements, Transportation.

PART 85—PSEUDORABIES

Accordingly, 9 CFR part 85 is amended as follows:

1. The authority citation for part 85 continues to read as follows:

Authority: 21 U.S.C. 111–112, 113, 115, 117, 120, 121, 123–126, 134b, 134f; 7 CFR 2.17, 2.51, and 371.2(d).

§ 85.1 [Amended]

2. In § 85.1, footnotes 8, 9, 1, 2, 3, 4, 7, 5, and 6 and all references to them are redesignated as footnotes 2, 3, 4, 5, 6, 7, 8, 9, and 10, respectively.

3. In § 85.1, in the definition of "Infected livestock", the word "veterinarian" is removed, and the term "official pseudorabies epidemiologist" is added in its place.

4. In § 85.1, in the definition of "Official pseudorabies serologic test" the words "paragraph (q) of" are removed.

5. In § 85.1, in the definition of "Official pseudorabies test", the semicolon immediately after "(ELISA) Test" is replaced by a comma, and the phrase "except for approved differential pseudorabies tests;" is added immediately after "(ELISA) Test,".

6. In § 85.1, in the definition of "Known infected herd," paragraphs (1), (2), (2)(i), (2)(ii), and (2)(iii) are redesignated as paragraphs (a), (b), (b)(1), (b)(2), and (b)(3), respectively.

7. Section 85.1 is amended as follows:

(a) By revising the definition of certificate;

(b) By revising the introductory text and adding a new paragraph (b)(4) to the definition of "Known infected herd"; and

(c) By adding 5 new definitions, in alphabetical order, to read as follows:

* * * * *

Approved differential pseudorabies test. Any test for the diagnosis of pseudorabies that: (1) Can distinguish vaccinated swine from infected swine; (2) Is produced under license from the Secretary of Agriculture under the Virus-Serum-Toxin Act of March 4, 1913, and subsequent amendments (21 U.S.C. 151 *et seq.*) with indications for use in the Cooperative State-Federal Pseudorabies Eradication Program; and (3) Is conducted in a laboratory approved by the Administrator. [1]

* * * * *

Certificate. An official document issued by an Animal and Plant Health Inspection Service representative, State representative, or accredited veterinarian for and prior to the interstate movement of swine that are not known to be infected with or exposed to pseudorabies, and are not pseudorabies vaccinates, except for official gene-altered pseudorabies vaccinates from a qualified negative gene-altered vaccinated herd. The document must state: (1) The number and description of the swine to be moved; (2) That the swine to be moved are not known to be infected with or exposed to pseudorabies; (3) The purpose for which the swine are to be moved; (4) The points of origin and destination; (5) The consignor and consignee; and (6) Any additional information required by this part.

* * * * *

Known infected herd. Any herd in which any livestock has been determined to be infected with pseudorabies by an official pseudorabies test, an approved differential pseudorabies test, or diagnosed by an official pseudorabies epidemiologist as having pseudorabies.

* * * * *

(b) * * *

(4) In a herd of swine containing official gene-altered pseudorabies vaccinates:

(i) All vaccinates have been vaccinated with the same official gene-altered pseudorabies vaccine; and

(ii) All swine positive to an approved differential pseudorabies test have been gone from the herd for at least 60 days; and

(iii) No livestock on the same premises as the herd have shown clinical signs of pseudorabies since removal of the positive swine; and

(iv) The herd has been tested for pseudorabies and found negative in accordance with one of the following two provisions:

(A) All swine in the herd, except suckling swine, are tested with an approved differential pseudorabies test. If all tested swine are found negative, no further testing is required. If any swine test positive, they may be retested with an approved differential pseudorabies test within 30 days of the first test if they are isolated from the remainder of

[1] The names and addresses of laboratories approved by the Administrator to conduct approved differential pseudorabies tests are published in the Notices Section of the Federal Register. A list of approved laboratories is also available upon request from the Administrator, c/o The Swine Diseases Staff, VS, APHIS, USDA, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782. State, Federal, and university laboratories will be approved by the Administrator when he or she determines that the laboratory: (1) Employs personnel trained at the National Veterinary Services Laboratories assigned to supervise the testing; (2) follows standard test protocols; (3) meets check test proficiency requirements; and (4) will report all test results to State and Federal animal health officials. Before the Administrator may withdraw approval of any laboratory for failure to meet any of these conditions, the Administrator must give written notice of the proposed withdrawal to the director of the laboratory, and must give the director an opportunity to respond. If there are conflicts as to any material fact, a hearing will be held to resolve the conflict.

the herd until the retest shows them to be negative.

(B) All swine in the herd over 6 months of age and a random sample of 30 or more swine in each segregated group of swine in the herd between 2 and 6 months of age are tested with an approved differential pseudorabies test. Not less than 30 days nor more than 60 days after his first test, another random sample of 30 or more swine in each segregated group of swine in the herd between 2 and 6 months of age is tested with an approved differential pseudorabies test. If all swine are negative on these tests, no further testing is required. If any swine test positive on either of these tests, the positive swine may be retested with an approved differential test within 30 days of the initial test if they are isolated from the remainder of the herd until the retest shows them to be negative.

* * * * *

Official gene-altered pseudorabies vaccinate. Swine vaccinated with an official gene-altered pseudorabies vaccine, in accordance with directions on the label.

Official gene-altered pseudorabies vaccine. Any official pseudorabies vaccine for which there is an approved differential pseudorabies test.

Official pseudorabies epidemiologist. A state or federally employed veterinarian designated by the State animal health official and the veterinarian in charge to investigate and diagnose pseudorabies in livestock.

* * * * *

Qualified negative gene-altered vaccinated herd.

(a) Any herd in which no swine are known to be infected with or exposed to pseudorabies, and in which no swine are vaccinated for pseudorabies, may achieve status as a qualified negative gene-altered vaccinated herd under the following conditions:

(1) All swine in the herd over 6 months of age must be tested with an official pseudorabies serologic test. For a minimum of 30 days before the test, the herd must not have been a known infected herd. During the 90 days before the test, at least 90 percent of the swine in the herd either must have been on the premises and a part of the herd, or must have entered the herd directly from a qualified pseudorabies negative herd. If any of the tested swine are found positive on this or any other official pseudorabies test prior to vaccination with the official gene-altered pseudorabies vaccine, the requirements in paragraph (a)(2) must be met.

(2) All swine that are positive on an official pseudorabies test must be removed from the herd, or must be isolated until another official pseudorabies test conducted within 30 days of the first test shows them to be negative. If the results of the second test are negative, no additional testing is required before the herd may be vaccinated in accordance with paragraph (a)(3). If the results of the second test are positive, all swine that tested positive must be removed from the herd. Not less than 30 days after any positive swine are removed from the herd, all remaining swine in the herd, except suckling swine, must be tested with an official pseudorabies serologic test and found negative. Not less than 30 days after this negative test, the herd must be tested again in accordance with paragraph (a)(1).

(3) Not more than 30 days after test results show the herd to be negative for pseudorabies in accordance with paragraph (a)(1), all swine in the herd over 6 months of age must be vaccinated with an official gene-altered pseudorabies vaccine. Only one official gene-altered pseudorabies vaccine may be used in the herd.

(b) Any herd designated as a qualified pseudorabies negative herd may achieve new status as a qualified negative gene-altered vaccinated herd if all swine in the herd over 6 months of age are vaccinated with an official gene-altered pseudorabies vaccine. Only one official gene-altered pseudorabies vaccine may be used in the herd.

(c) Any herd in which no swine are known to be infected with or exposed to pseudorabies, and in which the only swine vaccinated for pseudorabies are official gene-altered pseudorabies vaccinates, may achieve status as a qualified negative gene-altered vaccinated herd under the following conditions:

(1) Only one official gene-altered pseudorabies vaccine may be used in the herd.

(2) All swine in the herd over 6 months of age must be tested with an approved differential pseudorabies test. For a minimum of 60 days before the test, the herd must not have been a known infected herd. During the 90 days before the test, at least 90 percent of the swine in the herd either must have been on the premises and a part of the herd or must have entered the herd directly from a qualified pseudorabies negative herd or a qualified negative gene-altered vaccinated herd. If any of the tested swine are found positive on this test, the requirements in paragraph (c)(3) must be met.

(3) All swine positive on an approved differential pseudorabies test must be removed from the herd, or must be isolated until another approved differential pseudorabies test conducted within 30 days of the first test shows them to be negative. If the results of the second test are negative, no additional testing is required before the herd may be vaccinated in accordance with paragraph (c)(4). If the results of the second test are positive, all swine that tested positive must be removed from the herd. No less than 30 days after any negative swine are removed from the herd, all remaining swine in the herd, except suckling swine, must be tested with an approved differential pseudorabies test and found negative. No less than 30 days after this negative test, the herd must be tested again in accordance with paragraph (c)(2).

(4) No more than 30 days after test results show the herd to be negative for pseudorabies in accordance with paragraph (c)(2), all swine in the herd over 6 months of age that are not already official gene-altered pseudorabies vaccinates must be vaccinated with an official gene-altered pseudorabies vaccine. Only one official gene-altered pseudorabies vaccine may be used in the herd.

(d) Qualified negative gene-altered vaccinated herd status is maintained under the following conditions:

(1) All swine over 6 months of age in the herd must be official gene-altered pseudorabies vaccinates, and only one official gene-altered pseudorabies vaccine may be used in the herd.

(2) All swine over 6 months of age in the herd must be tested at least once a year with an approved differential pseudorabies test and found negative; except that, if any swine are positive, the herd may maintain its status if the positive swine are isolated from the rest of the herd until they are found negative to a second approved differential pseudorabies test conducted within 30 days of the first. The requirement for annual testing of all swine in the herd over 6 months of age may be met by testing 25 percent of the swine over 6 months of age every 80–105 days, or by testing 10 percent of the swine over 6 months of age each month. No swine may be tested twice in 1 year to comply with the 25 percent requirement, or twice in 10 months to comply with the 10 percent requirement.

(3) Swine may be added to a qualified negative gene-altered vaccinated herd only under one of the following conditions:

(i) The swine are moved to the qualified negative gene-altered vaccinated herd from another qualified negative gene-altered vaccinated herd, or from a qualified pseudorabies

negative herd, without having any contact en route with swine other than those from a qualified negative gene-altered vaccinated herd or a qualified pseudorabies negative herd.

(ii) The swine are moved to the qualified negative gene-altered vaccinated herd from a qualified pseudorabies negative herd, have contact en route with swine other than those from a qualified negative gene-altered vaccinated herd or a qualified pseudorabies negative herd, and, before being added, are isolated until they are found negative to an official pseudorabies serologic test conducted 30 days or more after the swine are isolated.

(iii) The swine are moved to the qualified negative gene-altered vaccinated herd from another qualified negative gene-altered vaccinated herd, have contact en route with swine other than those from a qualified negative gene-altered vaccinated herd or a qualified pseudorabies negative herd, and, before being added, are isolated until they are found negative to an approved differential pseudorabies test conducted 30 days or more after the swine are isolated.

(iv) The swine are removed to the qualified negative gene-altered vaccinated herd from a herd other than a qualified negative gene-altered vaccinated herd or a qualified pseudorabies negative herd, and, before being added, are isolated until they are found negative to two official pseudorabies serologic tests, one conducted at the time the swine are isolated, and the second conducted 30 days or more after the swine are isolated.

§ 85.6 [Amended]

8. In § 85.6, remove the phrase "pseudorabies vaccinate swine" and add the phrase "pseudorabies vaccinate swine, except swine from qualified negative gene-altered vaccinated herds," in the following places:

(a) The second heading;

(b) The heading for paragraph (a); and

(c) The heading for paragraph (b).

9. In § 85.6, remove the phrase "Pseudorabies vaccinate swine" and add the phrase "Pseudorabies vaccinate swine, except swine from qualified negative gene-altered vaccinated herds," in the following places:

(a) In the introductory text to § 85.6;

(b) In the introductory text to paragraph (a); and

(c) In the introductory text to paragraph (b).

§§ 85.8, 85.9, 85.10 [Redesignated as §§ 85.9, 85.10 and 85.11 Respectively]

10. Sections 85.8, 85.9, and 85.10 would be redesignated as §§ 85.9, 85.10, and 85.11, respectively.

11. A new § 85.8 would be added to read as follows:

§ 85.8 Interstate movement of swine from a qualified negative gene-altered vaccinated herd.

Swine from a qualified negative gene-altered vaccinated herd, and not known to be infected with or exposed to pseudorabies, may be moved interestate only in accordance with the following provisions:

(a) Without further restriction under this part if:

(1) The swine are moved directly to a recognized slaughtering establishment, or directly through one or more slaughter markets and then directly to a recognized slaughtering establishment; or

(2) The swine are moved directly to a feedlot, quarantined feedlot, or approved livestock market; or

(3) The swine are moved from an approved livestock market to a feedlot, quarantined feedlot, or other approved livestock market.

(b) For all interstate movements other than those set forth in paragraph (a) of this section, the swine must be accompanied by a certificate, and the certificate must be delivered to the consignee. In addition to the information required by § 85.1 of this part, the certificate must state: (1) That the swine are from a qualified negative gene-altered vaccinated herd; (2) The date of the herd's last qualifying test; (3) The identification for the swine to be moved interstate, in accordance with § 71.19 of this chapter; and (4) If the swine to be moved are official gene-altered pseudorabies vaccinates, the official gene-altered pseudorabies vaccine used in the herd.

Done in Washington, DC, this 3rd day of May 1990.

James W. Glosser,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 90-10811 Filed 5-8-90; 8:45 am]

BILLING CODE 3410-34-M

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9 CFR Part 92

[Docket No. 90-057]

Limited Ports; Fairbanks, AL

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: We are amending the animal importation regulations by adding Fairbanks, Alaska, to the list of limited ports of entry for animals and animal products (such as animal semen, animal test specimens, hatching eggs, and day old chicks) that do not appear to require restraint and holding inspection facilities. A request has been made for the addition of this port, and Animal and Plant Health Inspection Service facilities and personnel are available to provide limited port service for this location. This action will provide importers with an additional port through which to import animals and animal products that do not appear to require restraint and holding inspection facilities.

EFFECTIVE DATE: June 8, 1990.

FOR FURTHER INFORMATION CONTACT: Dr. Mark Teachman, Staff Veterinarian, Import-Export Animals Staff, VS, APHIS, USDA, Room 764, Federal Building, 6505 Belcrest Road, Hyattsville, Maryland 20782, 301-436-8144.

SUPPLEMENTARY INFORMATION:

Background

The animal importation regulations (contained in 9 CFR part 92 and referred to below as the regulations) list ports with inspection stations or quarantine stations maintained by the Animal and Plant Health Inspection Service (APHIS) for the importation of animals and animal products. In addition to air and ocean ports and several other types of ports, § 92.3 lists certain limited ports for the importation of animals and animal products (such as animal semen, animal test specimens, hatching eggs, and day old chicks) that do not appear to require restraint and holding inspection facilities.

Fairbanks International Airport and the State of Alaska Department of Transportation and Public Facilities have requested that limited port services be provided at Fairbanks, Alaska. We have determined that APHIS inspection facilities and personnel are available to provide limited port services at Fairbanks, Alaska.

On February 6, 1990, we published in the **Federal Register** (55 FR 3969-3970, Docket Number 89-177), a document proposing to amend § 92.3(e) of the regulations by adding Fairbanks, Alaska, as a limited port. Our proposal invited the submission of written comments, which were required to be received on or before April 9, 1990. We received 11 comments, all of which favored the proposed rule. Those submitting comments included a

university, an international airport, members of Congress and State legislatures, an animal transportation association, an industrial development corporation, and other interested parties. Generally, the commenters stated that the addition of Fairbanks as a limited port would help that community to develop its capacity as a provider of international air cargo services.

Based on the rationale set forth in the proposal, we are adopting the provisions of the proposal as a final rule.

Executive Order 12291 and Regulatory Flexibility Act

We are issuing this rule in conformance with Executive Order 12291, and we have determined that it is not a "major rule." Based on information compiled by the Department, we have determined that this rule will have an effect on the economy of less than $100 million; will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and will not cause a significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

We anticipate that the addition of Fairbanks, Alaska, to the list of limited ports for the importation of animals and animal products that do not appear to require restraint and holding inspection facilities will not cause a substantial change in the number of such animals and animal products entering the United States or in the number of persons importing these animals and animal products.

The entities affected by this action will be those air transporters and importers who use the new port. We believe that most of these entities could be considered small entities, but we do not know how many of them will opt to use this new limited port. Alaska already has a limited port in Anchorage; the addition of a limited port at Fairbanks will provide air transporters and importers with an alternate and, in some cases, more conveniently located limited port, thereby making importations easier. While the logistics of some importations may become easier for certain air transporters and importers, we do not anticipate that there will be a significant economic impact on any small entities as a result of this action.

Under these circumstances, and Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act.

This rule contains no new information collection or recordkeeping requirements under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*).

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR Part 3015, Subpart V.)

List of Subjects in 9 CFR Part 92

Animal diseases, Canada, Imports, Livestock and livestock products, Mexico, Poultry and poultry products, Quarantine, Transportation, Wildlife.

Accordingly, 9 CFR part 92 is amended as follows:

PART 92—IMPORTATION OF CERTAIN ANIMALS AND POULTRY AND CERTAIN ANIMAL AND POULTRY PRODUCTS; INSPECTION AND OTHER REQUIREMENTS FOR CERTAIN MEANS OF CONVEYANCE AND SHIPPING CONTAINERS THEREON

1. The authority citation for part 92 continues to read as follows:

Authority: 7 U.S.C. 1622; 19 U.S.C. 1306; 21 U.S.C. 102–105, 111, 134a, 134b, 134c, 134d, 134f, and 135; 31 U.S.C. 9701; 7 CFR 2.17, 2.51, and 371.2(d).

§ 92.3 [Amended]

2. Paragraph (e) of § 92.3 is amended by removing the comma immediately following "Anchorage" and adding "and Fairbanks," immediately before "Alaska;".

Done in Washington, DC, this 3rd day of May 1990.

James W. Glosser

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 90–10813 Filed 5–8–90; 8:45 am]

BILLING CODE 3410–34

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 90–NM–64–AD; Amendment 39–6595]

Airworthiness Directives; SAAB-Scania AB Model SAAB 340B Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new Airworthiness Directive (AD), applicable to certain SAAB-Scania AB Model SAAB 340B series airplanes, which requires an air speed restriction until new balance weights are installed on the rudder and rudder trim tab. This amendment is prompted by reports of oscillations due to deterioration of the rudder tab damper. This condition, if not corrected, could result in oscillations (flutter) of the rudder and may cause structural failure.

EFFECTIVE DATE: May 24, 1990.

ADDRESSES: The applicable service information may be obtained from SAAB-Scania AB, Saab Aircraft Product Support, S–581.88, Linkoping, Sweden. This information may be examined at the FAA, Northwest Mountain Region, Transport Airplane Directorate, 17900 Pacific Highway South, Seattle, Washington, or the Standardization Branch, 9010 East Marginal Way South, Seattle, Washington.

FOR FURTHER INFORMATION CONTACT: Mr. Mark Quam, Standardization Branch, ANM–113; telephone (206) 431–1978. Mailing address: FAA, Northwest Mountain Region, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168.

SUPPLEMENTARY INFORMATION: The Luftfartsverket (LFV), which is the airworthiness authority of Sweden, in accordance with existing provisions of a bilateral airworthiness agreement, has notified the FAA of an unsafe condition which may exist on certain SAAB-Scania AB Model SAAB 340B series airplanes. There have been reports on oscillation due to deterioration of the rudder tab damper. All oscillations occurred when flying above 220 knots indicated air speed (KIAS) and disappeared when the speed was reduced. The condition if not corrected could lead to move severe oscillations

(flutter) of the rudder and may cause structural failure.

SAAB-Scania AB has issued Service Newsletter SN 9002, Revision 1, dated February 19, 1990, which describes procedures for short term action to remove and replace the rudder tab damper if oscillations are reported. If a rudder tab damper is not available for replacement, the airplane speed is to be restricted to 220 KIAS by cockpit placard and flight manual limitation. SAAB's long-term solution involves installation of new balance weights on the rudder tab in accordance with SAAB-Scania Service Bulletin SAAB 340–55–026, dated March 16, 1990. The LFV has classified this service bulletin as mandatory and has issued an airworthiness directive, SAD No. 1–038, dated March 23, 1990, addressing this subject.

The FAA considers any flutter condition, even limited amplitude oscillations occurring in flight, to be potentially hazardous. Federal Aviation Regulations require that the airplane be free from this condition even with single failures or with any combination of failures not shown to be extremely improbable. In consideration of this, the FAA has determined that reliance upon a single damper would not satisfactorily prevent oscillations when flying above 220 KIAS. Further, the FAA has determined that the tab system must be modified by installing sufficient mass balance on the rudder tab to prevent any flutter condition, even with a disconnected tab damper or when combined with other probable failures. The installation of new balance weights and rebalancing, as described in SAAB-Scania Service Bulletin SAAB 340–55–026, will satisfactorily address this unsafe condition.

This airplane model is manufactured in Sweden and type certificated in the United States under the provisions of § 21.29 of the Federal Aviation Regulations and the applicable bilateral airworthiness agreement.

Since this condition is likely to exist or develop on other airplanes of the same type design registered in the United States, this AD requires a revision to the FAA-approved Airplane Flight Manual (AFM) and installation of a placard, requiring a 220 knot indicated air speed (KIAS) restriction until the installation of new balance weights on the rudder and rudder trim tab is accomplished.

Since a situation exists that requires immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable, and good cause exists for making this amendment effective in less than 30 days.

The regulations adopted herein will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

The FAA has determined that this regulation is an emergency regulation and that it is not considered to be major under Executive Order 12291. It is impracticable for the agency to follow the procedures of Order 12291 with respect to this rule since the rule must be issued immediately to correct an unsafe condition in aircraft. It has been further determined that this action involves an emergency regulation under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979). If it is determined that this emergency regulation otherwise would be significant under DOT Regulatory Policies and Procedures, a final regulatory evaluation will be prepared and placed in the regulatory docket (otherwise, an evaluation is not required). A copy of it, if filed, may be obtained from the Rules Docket.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends 14 CFR part 39 of the Federal Aviation Regulations as follows:

PART 39—[AMENDED]

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised Pub. L. 97–449, January 12, 1983); and 14 CFR 11.89.

§ 39–13 [Amended]

2. Section 39.13 is amended by adding the following new airworthiness directive:

Saab-Scania: Applies to Model SAAB 340B series airplanes, Serial Numbers 161 through 197, certificated in any category. Compliance is required as indicated, unless previously accomplished.

To prevent oscillations (flutter) of the rudder, accomplish the following:

A. Within 10 flight hours time-in-service, accomplish the following:

1. Install a placard in the cockpit stating: "Air Speed Restricted to 220 KIAS", and

2. Incorporate the following into the Limitations Section of the FAA-approved Airplane Flight Manual (AFM): Restrict the maximum operating speed to 220 KIAS in accordance with Section 2. under "Short Term Actions" of SAAB 340 Service Newsletter, SN–9002, Revision 1, dated February 19, 1990. This may be accomplished by inserting a copy of this AD in the AFM.

B. Within 90 days after the effective date of this AD, install new rudder and rudder trim tab balance weights in accordance with SAAB-Scania Service Bulletin SAAB 340–55–026, dated March 16, 1990. Upon installation of these balance weights, the placard and flight manual limitation required by paragraph A., above, may be removed.

C. An alternate means of compliance or adjustment of the compliance time, which provides an acceptable level of safety, may be used when approved by the Manager, Standardization Branch, ANM–113, FAA, Northwest Mountain Region.

Note: The request should be forwarded through an FAA Principal Maintenance Inspector (PMI), who will either concur or comment and then send it to the Manager, Standardization Branch, ANM–113.

D. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes to a base in order to comply with the requirements of this AD.

All persons affected by this directive who have not already received the appropriate service information from the manufacturer may obtain copies upon request to SAAB-Scania AB, Saab Aircraft Product Support, S–581.88, Linkoping, Sweden. This information may be examined at the FAA, Northwest Mountain Region, Transport Airplane Directorate, 17900 Pacific Highway South, Seattle, Washington, or at the Standardization Branch, 9010 East Marginal Way South, Seattle, Washington.

This amendment becomes effective May 24, 1990.

Issued in Seattle, Washington, on April 30, 1990.

Steven B. Wallace,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 90–10762 Filed 5–8–90; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 71

[Airspace Docket No. 89–ANE–31]

Alteration of Transition Area, Biddeford, ME

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final Rule.

SUMMARY: This action amends the description of the Biddeford, Maine 700 foot Transition Area so as to provide protected airspace for instrument flight rules helicopters executing a new Copter TACAN 135/Copter TACAN 315 Standard Instrument Approach Procedure (SIAP) to the Route Nine Heliport, Kennebunkport, Maine.

EFFECTIVE DATE: 0910 u.t.c., June 22, 1990.

FOR FURTHER INFORMATION CONTACT: Charles M. Taylor, System Management Branch, ANE-530, Federal Aviation Administration, Burlington, MA 01803; Telephone: (617) 270-2428.

SUPPLEMENTARY INFORMATION:

History

On November 24, 1989, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to revise the description of the Biddeford, Maine 700 foot Transition Area (54 FR 48638) so as to provide protected airspace for Instrument Flight Rules helicopters executing a new Copter TACAN 135/Copter TACAN 315 Standard Instrument Approach Procedure (SIAP) to the Route Nine Heliport, Kennebunkport, Maine. Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments to the proposal were received. This amendment is the same as that proposed in the Notice. Section 71.181 of part 71 of the Federal Aviation Regulations was republished in FAA Handbook 7400.6F dated January 2, 1990.

The Rule

This amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) revises the description of the Biddeford, Maine 700 foot Transition Area so as to provide protected airspace for Instrument Flight Rules Helicopters executing a new Standard Instrument Approach Procedure to the Route Nine Heliport, Kennebunkport, Maine.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) Is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the Criteria of the Regulatory Flexibility Act.

Lists of Subjects in 14 CFR Part 71

Aviation safety, Transition areas.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me, part 71 of the Federal Aviation Regulations (14 CFR part 71) is amended, as follows:

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 1348(a), 1354(a), 1510; Executive Order 10854; 49 U.S.C. 106(g) (Revised Pub. L. 97-449), January 12, 1983); 14 CFR 11.69.

§ 71.181 [Amended]

2. Section 71.181 is amended as follows:

Biddeford, ME [Revised]

That airspace extending upward from 700 feet above the surface within an 8.5-mile radius of Biddeford, ME, Airport (lat. 43°27'51" N., long. 70°28'23" W.) extending clockwise from the 270 bearing to the 180 bearing; within an 11-miles radius extending from 180 bearing clockwise to the 270 bearing and within 5 miles each side of the Kennebunk VORTAC 118 radial, extending from 8.5-miles radius area and the 11-miles radius area to 16.5 miles southeast of the Kennebunk VORTAC, excluding that airspace which coincides with the Sanford, ME 700-foot transition area.

James I. Lucas,
Manager, Air Traffic Division.

[FR Doc. 90-10763 Filed 5-8-90; 8:45 am]

BILLING CODE 4910-12-M

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14 CFR Part 71

[Airspace Docket No. 89-ANE-32]

Alteration of Transition Area, State of Maine

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action amends the description of the State of Maine 1200 foot Transition Area so as to provide protected airspace for instrument flight rules helicopters executing a new Copter TACAN 135/Copter TACAN 315 Standard Instrument Approach Procedure (SIAP) to the Route Nine Heliport, Kennebunkport, Maine.

EFFECTIVE DATE: 0901 u.t.c., June 22, 1990.

FOR FURTHER INFORMATION CONTACT: Charles M. Taylor, System Management Branch, ANE-530, Federal Aviation Administration, Burlington, MA 01803; Telephone: (617) 270-2428.

SUPPLEMENTARY INFORMATION:

History

On December 19, 1989, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to revise the description of the State of Maine 1200 foot Transition Area (54 FR 51896) so as to provide protected airspace for Instrument Flight Rules helicopters executing a new Copter TACAN 135/Copter TACAN 315 Standard Instrument Approach Procedure (SIAP) to the Route Nine Heliport, Kennebunkport, Maine. Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. One comment was received. The commenter pointed out a charting problem involving a latitude coordinate that had been left out of the description. The description has been corrected to include that latitude.

With the exception of this correction, this amendment is the same as that proposed in the Notice and includes the correction. Section 71.181 of part 71 of the Federal Aviation Regulations was republished in FAA Handbook 7400.6F dated January 2, 1990.

The Rule

This amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) amends the description of the State of Maine 1200 foot Transition Area so as to provide protected airspace for Instrument Flight Rules Helicopters executing a new Standard Instrument Approach Procedure to the Route Nine Heliport, Kennebunkport, Maine.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) Is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small business entities under the Criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Aviation safety, Transition areas.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation

Administration proposes to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) as follows:

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 1348(a), 1354(a), 1510; Executive Order 10854; 49 U.S.C. 106(g) (Revised Pub. L. 97–449, January 12, 1983); 14 CFR 11.69.

§ 71.181 [Amended]

2. Section 71.181 is amended as follows:

State of ME [Amended]

Line eleven, after coordinates, lat. 43°30′00″ N., long. 70°06′00″ W.; add: to lat. 43°22′45″ N., long. 70°18′10″ W.; to lat. 43°22′30″ N., long. 70°17′45″ W.; to lat. 43°15′15″ N., long. 70°23′00″ W.; to 43°16′10″ N., long. 70°25′00″ W.; to lat. 42°56′00″ N., long. 70°25′00″ W.; to lat. 42°56′00″ N., long. 70°34′00″ W.; thence to clockwise via the state boundary to the point of beginning.

Issued in Burlington, Massachusetts on May 1, 1990.

James I. Lucas,

Manager, Air Traffic Division.

[FR Doc. 90–10769 Filed 5–8–90; 8:45 am]

BILLING CODE 4910-13-M

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14 CFR Part 75

[Airspace Docket No. 90–AGL–2]

Alteration of Jet Route J–152

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment alters the description of Jet Route J–152 between Capital, IL, and Rosewood, OH. This action is the result of plans to change the boundaries of Chicago Air Route Traffic Control Center (ARTCC). In the absence of this action, the changed ARTCC boundaries would generate coordination and traffic flow problems along a segment of J–152 between Chicago ARTCC, Indianapolis ARTCC, and Kansas City ARTCC. To avoid these problems, that segment of J–152 is removed.

DATES: Effective date—0901 u.t.c., June 28, 1990. Comments must be received on or before June 22, 1990.

ADDRESSES: Send comments on the rule in triplicate to: Manager, Air Traffic Division, AGL–500, Docket No. 90–AGL–2, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, IL 60018.

The official docket may be examined in the Rules Docket, weekdays, except Federal holidays, between 8:30 a.m. and 5 p.m. The FAA Rules Docket is located in the Office of the Chief Counsel, room 916, 800 Independence Avenue, SW., Washington, DC.

An informal docket may also be examined during normal business hours at the office of the Regional Air Traffic Division.

FOR FURTHER INFORMATION CONTACT: Jesse B. Bogan, Jr., Airspace and Obstruction Evaluation Branch (ATP–240), Airspace-Rules and Aeronautical Information Division, Air Traffic Rules and Procedures Service, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone: (202) 267–9253.

SUPPLEMENTARY INFORMATION:

Request for Comments on the Rule

This action is in the form of a final rule, which involves amending the description of J–152 by removing a segment between Capital, IL, and Rosewood, OH. On June 28, 1990, the boundaries of the Chicago ARTCC will be changed. With the implemented boundary changes, the ARTCC's at Chicago, Indianapolis, and Kansas City would encounter coordination and traffic flow problems along a segment of J–152. To avoid these problems, that segment of J–152 is being removed.

In order to coordinate the amendment of J–152 with the effective date for changing the boundaries of Chicago ARTCC, this action is not preceded by notice and public procedure. Comments are invited on the rule. When the comment period ends, the FAA will use the comments submitted, together with other available information, to review the regulation. After the review, if the FAA finds that changes are appropriate, it will initiate rulemaking proceedings to amend the regulation. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in evaluating the effects of the rule and determining whether additional rulemaking is needed. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy aspects of the rule that might suggest the need to modify the rule.

The Rule

The purpose of this amendment to part 75 of the Federal Aviation Regulations (14 CFR part 75) is to alter the description of J–152 between Capital, IL, and Rosewood, OH. This alteration will minimize coordination and traffic flow problems between Chicago, Indianapolis, and Kansas City ARTCC's along a segment of J–152. Because J–152 is within the Positive Control Area, removal of this segment of J–152 will not affect the designation of controlled airspace. Section 75.100 of part 75 of the Federal Aviation Regulations was republished in Handbook 7400.6F dated January 2, 1990.

Under the circumstances presented, the FAA concludes that there is a need for a regulation to alter the description of J–152. In order for the effective date of this amendment to coincide with the effective date of the boundary changes at Chicago ARTCC, I find that notice and public procedure under 5 U.S.C. 553(b) are impracticable and contrary to the public interest. However, comments are invited on the final rule.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 75

Aviation safety, Jet routes.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me, part 75 of the Federal Aviation Regulations (14 CFR part 75) is amended, as follows:

PART 75—ESTABLISHMENT OF JET ROUTES AND AREA HIGH ROUTES

1. The authority citation for part 75 continues to read as follows:

Authority: 49 U.S.C. 1348(a), 1354(a), 1510; Executive Order 10854; 49 U.S.C. 106(g) (Revised Pub. L. 97–449, January 12, 1983); 14 CFR 11.69.

§ 75.100 [Amended]

2. § 75.100 is amended as follows:

J–152 [Revised]

From Rosewood, OH; via Johnstown, PA; to Harrisburg, PA.

Issued in Washington, DC, on April 30, 1990.

Harold W. Becker,

Manager, Airspace-Rules and Aeronautical Information Division.

[FR Doc. 90-10764 Filed 5-8-90; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

29 CFR Part 1910

RIN 1218-AB 26

Air Contaminants

AGENCY: Occupational Safety and Health Administration, Department of Labor.

ACTION: Final rule; Grant of petition for reconsideration and stays for two substances.

SUMMARY: OSHA reduced exposure limits for 375 air contaminants on January 19, 1989 at 54 FR 2332. OSHA is granting a petition for reconsideration of the Final rule limit STEL for nitroglycerin (NG) of 0.1 mg/m^3 and Final rule limit STEL for Ethylene glycol dinitrate (EGDN) of 0.1 mg/m^3 for civilian manufacture and distribution of explosives and propellants for civilian use. The Transitional limits ceiling limits of 1 mg/m^3 for EGDN and 2 mg/m^3 for NG and Final rule limits skin designation for both remain in effect for civilian manufacture and distribution of explosives for civilian use.

OSHA is staying the Final rule limit STEL for NG for manufacture for military and space use of explosives and propellants until November 1, 1990. The Final rule limits for NG and EGDN remain in effect for other sectors.

EFFECTIVE DATE: April 27, 1990.

FOR FURTHER INFORMATION CONTACT: Mr. James F. Foster, OSHA Office of Public Affairs, Room N-3647, Department of Labor, 200 Constitution Avenue NW., Washington, DC 20210, Telephone (202) 523-8151.

SUPPLEMENTARY INFORMATION: On January 19, 1989 at 54 FR 2332 OSHA issued a final standard setting new or more protective exposure limits for 375 substances. The new limits are to be achieved with any reasonable combination of controls including engineering controls and respirators by September 1, 1989, and with a preference for engineering controls by December 31, 1992. Individual companies or trade associations repesenting industry brought 28 law suits challenging approximately 20 of these new limits. The AFL-CIO also challenged a number of exposure limits as not sufficiently protective.

The objective of this regulatory effort is to create major improvements in occupational health by lowering the exposures of 4.5 million workers to many toxic substances. OSHA concludes that the commitments obtained from industry as part of the settlement of the petition for review described in this notice will lead to improved overall safety and health protection to workers while resolving complex legal and technical issues consistent with statutory requirements.

OSHA substantially lowered exposures to NG and EGDN in the Air Contaminants rulemaking based principally on their cardiovascular effects and cardiovascular disease and on their ability to cause moderate and severe headaches. See the discussion at 54 FR 2538-39. These substances are also powerful and sensitive explosives and worker protection requires careful consideration of both health and safety aspects.

Civilian explosives that use NG and EGDN invariably utilize a combination of these two substances. Only approximately 5% of civilian explosives are made from these two substances and fewer than 1000 employees work in its production.

The military uses NG without EGDN principally as a propellant for shells, rockets and other ordnance. These propellants are manufactured by employees working for the government, working for private contractors on government owned facilities and for private contractors at contractor owned facilities.

At the Air Contaminants hearing, the Institute of Makers of Explosives (IME) presented its views that the lower limit was not needed for health reasons, that air filtration respirators were not proven effective for NG/EGDN combinations and might create an explosion hazard, and that air supplied respirators created explosion hazards either directly or indirectly through creating tripping hazards. It also argued that engineering controls could only be instituted slowly because of the need to make sure that the controls did not create explosion hazards. OSHA responded to these arguments at 54 FR 2799-2800.

The IME petitioned for review of the Air Contaminants standard with respect to the new limits for NG and EGDN (*Institute of Makers of Explosives* v. *OSHA*, Case No. 89-7247, Eleventh Cir.). Subsequent to the filing of that petition, the IME submitted extensive additional materials on the safety aspects of respiratory protection and the pace of installation of engineering controls. It then petitioned OSHA on June 19, 1989 to reconsider the Final rule limit STELs based on this additional data and their earlier comments.

OSHA has reevaluated the record, and evaluated the additional materials presented through the petition for reconsideration. It continues to conclude that there is need for substantial reduction in exposure levels for health protection and it now concludes that air filtration respirators can be safely used. However, there is needed for research on the effectiveness of those respirators for NG/EGDN mixtures and careful phase-in of respirator use because of the explosion hazard. In addition because of that hazard there needs to be further research and careful phase-in of engineering controls. OSHA concludes that the following described settlement will on balance provide better overall safety and health protection in the near term for employees who manufacture and distribute NG/EGDN explosives for civilian use, produce the information needed for long term decisions and eliminate the uncertainties of litigation.

Accordingly IME and OSHA have negotiated a detailed settlement agreement which is available in the docket office. That agreement provides that the IME withdraw its petition for review. The IME has done so and the Eleventh Circuit has dismissed the suit.

The agreement provides that the four employers that produce civilian explosives will install about 40 specific engineering controls commencing immediately and over a phase-in period over the next 5 years. Research will be carried out on other controls, which will be phased-in, if they prove effective. The IME will perform research on the effectiveness and safety of air filtration respirators for NG/EGDN mixtures (which may have different effects on respirators than pure NG). The IME will also maintain medical surveillance, monitoring and other industrial hygiene requirements.

OSHA is withdrawing the Final rule limits STEL of 0.1mg/m^3 for NG and EGDN for the civilian manufacture and distribution of explosives and propellants for civilian use sector. This leaves in effect the Final rule limit skin notation, limiting skin exposure for both, and the Transitional limits of 1 mg/m^3 for EGDN and 2 mg/m^3 for NG as ceiling limits. OSHA concludes that the engineering controls required by the settlement agreement will be a major step towards reducing exposures to approach the Final rule limits while not increasing, and perhaps reducing, the

explosion hazard. The other provisions of the settlement agreement which are not otherwise required by the standard will also lead to major health benefits.

OSHA will reconsider the limits for NG and EGDN between January 1, 1992 and December 1, 1994. At that time it will have available additional health, feasibility, explosive safety and respirator use data. The public will be able to comment in the light of this additional data. In consequence OSHA will be in a better position to make further decisions.

The military has already made major efforts to reduce exposures to NG in its own and government-owned contractor operated (GO CO) facilities. The Navy has completed research which has demonstrated that air filtration respirators are effective in filtering pure NG. The military has also done extensive industrial hygiene work on safe respirator use in the context of its own facilities and has instituted medical surveillance. It has commenced engineering design work to add additional engineering controls, but because of the large scale of its facilities, this will be a lengthy process.

Accordingly OSHA is staying until November 1, 1990 the Final rule limit STEL for production for military and space uses of NG and NG based explosives and propellants. This will permit time to work out an appropriate program of health and safety protection for employees exposed to NG in this sector.

The Final rule limits remain in effect for other sectors. The following amendments to § 1910.1000 table Z-1-A and the effective date note effectuate the above OSHA discussions and settlement agreement.

This document was prepared under the direction of Gerard F. Scannell, Assistant Secretary for Occupational Safety and Health, U.S. Department of Labor, 200 Constitution Avenue NW., Washington, DC 20210. It is issued pursuant to section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655), section 4 of the Administrative Procedure Act, 5 U.S.C. 553, 29 CFR part 1911 and Secretary of Labor Order 1-90 (55 FR 9033).

List of Subjects in 29 CFR Part 1910

Hazardous substance.

Signed at Washington, DC, this 30th day of April, 1990.

Gerard F. Scannell,
Assistant Secretary of Labor.

PART 1910—[AMENDED]

1. The general authority for part 1910, subpart Z, and authority for § 1910.1000 continue to read as follows:

Authority: Secs. 6, 8 Occupational Safety and Health Act, 29 U.S.C. 655, 657: Secretary of Labor's Orders 12-71 (36 FR 8754), 8-76 (41 FR 25059), 9-83 (48 FR 35736) or 1-90 (55 FR 9033), as applicable; and 29 CFR part 1911.

All of subpart Z issued under section 6(b) of the Occupational Safety and Health Act, 29 U.S.C. 655(b) except those substances listed in the Final Rule Limits columns of Table Z-1-A, which have identical limits listed in the Transitional Limits columns of Table Z-1-A, Table Z-2 or Table Z-3. The latter were issued under section 6(a) (29 U.S.C. 655(a)).

Section 1910.1000, the Transitional Limits columns of Table Z-1-A, Table Z-2 and Table Z-3 also issued under 5 U.S.C. 553 § 1910.1000, the Transitional Limits columns of Table Z-1-A, Table Z-2 and Table Z-3 not issued under 29 CFR part 1911 except for the arsenic, benzene, cotton dust, and formaldehyde listings.

* * * * *

§ 1910.1000 [Amended]

2. Section 1910.1000 is amended by revising the entries for ethylene glycol dinitrate and nitroglycerin to include super scripts for footnotes and adding corresponding footnotes at the end of the Table and amending the effective date note following the footnotes to read as follows:

TABLE Z-1-A—LIMITS FOR AIR CONTAMINANTS

Substance	CAS No. (f)	Transitional limits			Final rule limits**						
		PEL*		Skin designation	TWA		STEL (c)		Ceiling		Skin designation
		ppm (a)	mg/m³ (b)		ppm (a)	mg/m³ (b)	ppm (a)	mg/m³	ppm (a)	mg/m³ (b)	
* * * * * * *											
Ethylene glycol dinitrate[k]	628-96-6	(C)0.2	(C)1	X				[k] 0.1			X
* * * * * * *											
Nitroglycerin[l]	55-63-0	(C)0.2	(C)2	X				[l] 0.1			X
* * * * * * *											

*The transitional PELs are 8-hour TWAs unless otherwise noted; a (C) designation denotes a ceiling limit.

**Unless otherwise noted, employers in General Industry (i.e., those covered by 29 *CFR* 1910) may use any combination of controls to achieve these limits until Dec. 31, 1992 as set forth in 29 CFR 1910.1000(f).

* * * * * * *

[k] The Final Rule Limit STEL of 0.1 mg/m³ is not in effect as a result of reconsideration for the industrial sector of civilian manufacture and distribution of explosives and propellants for civilian use. The Final rule limits skin designation and the Transitional limits ceiling limit of 1 mg/m³ remain in effect for this sector until completion of the reconsideration.

[l] The Final Rule Limit STEL of 0.1 mg/m³ is not in effect as a result of reconsideration for the industrial sector of civilian manufacture and distribution of explosives and propellants for civilian use. The Final rule limits skin designation and the Transitional limits ceiling limit of 2 mg/m³ remains in effect for this sector until completion of the reconsideration.

Note.—Pursuant to administrative stays effective September 1, 1989 and published in the **Federal Register** on September 5, 1989, and extended in part by notices published in the **Federal Register** on October 6, 1989, December 6, 1989, February 5, 1990, April 6, 1990 and on May 9, 1990 the September 1, 1989 start-up specified in 29 CFR 1910.1000(f)(2)(i) is stayed as follows:

Until November 1, 1990 for manufacture of nitroglycerin and nitroglycerin based explosives and propellants for military and space use; until October 1, 1989 for perchloroethylene in the drycleaning industry; until September 1, 1990 for the acetone TWA for certain "doffers" in the cellulose acetate fiber industry; and until the decision on the merits of the Eleventh Circuit Court of Appeals in the case of Courtaulds Fibers Inc. v. U.S. Department of Labor, No. 89-7073 and consolidated cases, for the Ceiling for carbon monoxide for blast furnace operations, vessel blowing at basic oxygen furnaces and sinter plants in the steel industry (SIC 33). OSHA will publish in the **Federal Register** notice of the termination of the carbon monoxide stay.

[FR Doc. 90-10774 Filed 5-8-90; 8:45 am]
BILLING CODE 4510-26-M

POSTAL SERVICE

39 CFR Part 20

Changes to International Priority Airmail Service

AGENCY: Postal Service.

ACTION: Final rule.

SUMMARY: This final rule amends existing postal rates and regulations for International Priority Airmail Service to enable mailers to select either a presort or non-presort option. Currently mailers are required to meet certain presort mailing requirements as defined in the International Mail Manual, part 280. The added non-presort service will waive the sortation requirements for mailers choosing this option in exchange for paying a higher price. The rate for non-presorted International Priority Airmail will be $8.50 per pound.

Revisions are also being made to the International Priority Airmail presort option. The rate for presorted International Priority Airmail will increase slightly from $6.80 per pound to $7.00 per pound. In addition, only direct sacks (10 pounds or more) and bundles with six pieces or more to a specific country will be entitled to the presort rate of $7.00 per pound. The non-presort rate of $8.50 per pound will apply to all residual mail which does not meet the presort requirements.

EFFECTIVE DATE: 12:01 a.m., June 2, 1990.

FOR FURTHER INFORMATION CONTACT: Janet Mitchell, 202-268-2275.

SUPPLEMENTARY INFORMATION: On January 29, 1990, the Postal Service published in the **Federal Register**, 55 FR 2910, a notice of proposed changes to rates for International Priority Airmail (IPA) to establish a non-presort category with a rate of $8.50 per pound and to increase the rate for presorted mail from $6.80 per pound to $7.00 per pound. Comments were invited by February 28, 1990.

The Postal Service received one comment. In general, the commenter questioned whether or not the proposal was economically sound and in the best interests of either the Postal Service or IPA mailers. Specifically, this commenter, an international mail consolidator,[1] opposed the proposal to establish the non-presort rate at $8.50 per pound.

The commenter stated that presortation of mail resulted in cost savings for the Postal Service, but that the difference in the proposed presort and non-presort rates was too small to provide an incentive to mailers or mail consolidators to sort the mail. This, said the commenter, would result in more unsorted IPA mail being processing by the Postal Service and would therefore increase postal costs. In addition, the commenter stated that the shift of volume away from international mail consolidators would result in the mail of some of their low-volume customers being unable to qualify for IPA at all.

After carefully considering the commenter's views, we have concluded that the proposal should nevertheless be adopted. The establishment of a non-presort rate is more responsive to the needs of the marketplace and will encourage mailers to use IPA. To the extent that volume increases, postal costs will also increase. Some of the volume might come from mailers who previously used international mail consolidators to sort their mail by country to qualify it for IPA presort rates. The shift of this mail would, if it occurred, also result in increased Postal Service costs. However, the cost to the Postal Service of sorting this mail was considered in proposing the $8.50 rate, so that even with respect to volume that might shift from presort to non-presort categories the IPA revenues will more than cover the increased costs.

The comment regarding the possibility that the mail of some low-volume mailers might no longer qualify for IPA rates likewise does not justify changing the proposal. There might be some customers of international mail consolidators whose mail would no longer qualify for presort IPA rates, but that number has not been quantified. On the other hand, the difference between the $8.50 per pound rate and the otherwise applicable airmail rates would still be substantial and might also result in more mailers seeking out international mail consolidators to prepare their mail to qualify for IPA rates. Even if the additional quantities were insufficient to warrant the effort needed to qualify for the presort rates, these mailers would receive a benefit by using an international mail consolidator to take advantage of the non-presort rate. Further, to the extent that new volume is attracted to international mail consolidators as a result of the non-presort rate, it would offset volume that might shift from the consolidator to the Postal Service, so that present low-volume customers would still qualify for IPA rates.

In incorporating the rate changes set forth in the January 29 notice, this document also adopts implementing changes to the provisions concerning IPA in the International Mail Manual.

Accordingly, the Postal Service adopts the following amendments to the International Mail Manual, which is incorporated by reference in the Code of Federal Regulations. See 39 CFR 20.1. The changes in rates and regulations shall take effect at 12:01 a.m. on June 2, 1990.

List of Subjects in 39 CFR Part 20

Postal Service, Foreign relations, Incorporation by reference.

PART 20—[AMENDED]

1. The authority citation for part 20 continues to read as follows:

Authority: 5 U.S.C. 552(a); 39 U.S.C. 401, 404, 407, 408.

2. In the International Mail Manual, which is incorporated by reference at 39 CFR 20.1, in part 280 add new section 281.6, revise section 282, and revise sections 284.4 through 284.7, to read as follows:

Part 280 International Priority Airmail Service

* * * * *

281.6 Customer Identification Number. Except for federal agencies, each mailer must have an 11-digit identification number issued by the Postal Service. The first five digits of the number are the ZIP Code of the post office issuing the number. The second six numbers are either the mailer's permit number or if the mailer does not have a permit, a number consisting of the three letters "IPA" plus a sequentially assigned three-digit number (i.e., IPA001, IPA002). Federal agencies are not assigned an identification number but must furnish their three-digit Federal Agency Code number and may furnish an optional five-digit cost code on the mailing statement.

282 Postage

282.1 Rates

282.11 General. There are two rate options for International Priority Airmail Service: a presorted rate of $7 per pound or fraction of a pound and a nonpresorted rate of $8.50 per pound or fraction of a pound. Mail entered at the IPA presorted rate must be made up in accordance with §§ 284.4 through 284.5. Mail entered at the nonpresorted rate must be properly made up into working bundles and sacked in accordance with §§ 284.41 and 284.53.

[1] An international mail consolidator is a company which collects unsorted mail from many senders, sorts it by country as prescribed by IPA sortation regulations, and posts the combined mail at IPA rates. International mail consolidators charge their customers a fee based on the presorted postage rate and their cost of sorting the mail.

282.12 Separation by Rate Category. When an IPA mailing consists of presorted and nonpresorted mail, the mailing must be physically separated by rate category at the time of mailing.

282.13 Computation of Postage. Postage is paid on a per pound basis. The total weight of each rate category (e.g. presorted and nonpresorted) is rounded to the next whole pound. The tare weight (weight of the postal equipment) is not included in determining the weight of the mail. To compute postage, multiply the weight of the mailing by the applicable pound rate.

Example for presorted rate:

a. Add all presorted mail together.
b. Subtract the tare weight.
c. Round the weight upward to the next whole pound.
d. Multiply the amount by the presorted per pound rate.

282.2 General

282.21 Postage Payment Methods. Postage must be paid by postage stamps, postage meter, or permit imprint. Government mailers may use these postage payment methods but they may not use their standard penalty indicia. Postage charges are computed on Form 3652, *Statement of Mailing—International Priority Airmail.*

282.22 Postage Meter or Stamps

282.221 Postage Endorsement. When postage is paid by postage meter or postage stamps each mailpiece must be endorsed "U.S. International Airmail Postage Paid" on the address side of the mail, in the upper right corner. The denominated stamps or meter stamps are affixed directly to Form 3652.

282.222 Specifications for Endorsement. The required postage payment endorsement may be made by printing press, hard stamp, lithography, mimeograph, multigraph, address plate, or similar device. It may also be applied by running the mail through a postage meter that has been equipped with a special slug furnished by the meter manufacturer. The endorsement will then appear in the ad plate field in combination with a meter impression showing a zero postage amount. The endorsement cannot be typewritten or hand-drawn. *Note:* Because IPA mail is paid at a pound rate, individual pieces must not bear a denominated stamp or a meter stamp with a specified amount.

282.223 Drop Shipment of Metered Mail. Mailers who want to enter metered IPA mail at a post office other than where the meter is licensed, must obtain a drop shipment authorization. To obtain an authorization, the mailer must submit a written request to the postmaster at the office where the mail will be entered.

282.23 Permit Imprint. Mailers who have a permit may use it for items mailed as International Priority Airmail. The format of the permit imprint must be prepared in one of the forms shown in Exhibit 152.3. Permit imprints that denote: Priority Mail, Bulk Mail, Nonprofit, or other special rates may not be used for international mail.

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284 Preparation Requirements

* * * * *

284.4 Sortation Requirements for International Priority Airmail

284.41 Nonpresorted Mail

284.411 Working bundles. IPA mail paid at the nonpresorted rate must be made up into working bundles. Letters and flats must be bundled separately, although non-identical pieces may be commingled within each of these categories. Pieces that cannot be bundled because of their physical characteristics must be placed loose in the sack.

284.412 Facing of Nonpresorted Mail. All pieces in the bundle must be faced the same way and a facing slip which identifies the contents of the bundle must be placed on the address side of the top item of each bundle.

284.413 Nonpresorted Mail Bundle Labels. For nonpresorted mail, the bundle label (facing slip) must be completed as follows:

Line 1: Appropriate U.S. Exchange Office and Routing code
Line 2: International Priority Airmail—WKG
Line 3: Mailer, Mailer Location
Example:

AMF, Boston, MA 021
International Priority Airmail—WKG
CPA Company, Boston, MA

284.42 Presorted Mail

284.421 Direct Country Bundles. When there are six or more pieces for the same country (except Great Britain, Federal Republic of Germany, and Mexico; see 284.425), they must be made up into a country bundle.

284.422 Optional City/Postal Code Sortation. At the mailer's option, a finer breakdown by city or postal code may be made based on sortation information provided by the administration of the destination country.

284.423 Facing of Pieces Within Country Bundle. All pieces in the country bundle must be faced in the same direction and a facing slip that identifies the contents of the bundle placed on the address side of the top piece of each bundle. *Note:* The pressure-sensitive labels and optional endorsement lines used domestically for presort mail are prohibited for International Priority Airmail.

284.424 Country Bundle Label. The bundle label (facing slip) for country bundles that contain six or more pieces to a specific country (except for Great Britain, Federal Republic of Germany, and Mexico) must be completed as follows:

Line 1: Foreign Exchange Office
Line 2: Country of Destination
Line 3: Mailer, Mailer Location
Example:

1150 Vienna Flug
Austria
RBA Company, Washington, DC

284.425 Great Britain, Federal Republic of Germany, and Mexico. Items for these countries must be made up into bundles of six or more pieces in accordance with special sortation instructions provided by the acceptance post office (see 281.4).

284.426 Residual Mail. Residual mail (less than six pieces to a country) is not eligible for the presort rate. Residual mail must be made up into working bundles and labeled according to the provision in § 284.41.

284.43 Physical Characteristics and Requirements for Bundles

284.431 Thickness. Bundles of letter-size mail should be no thicker than approximately a handful of mail, 4 to 6 inches thick.

284.432 Securing Bundles. Each bundle must be securely tied. Placing rubber bands around the length and girth is the preferred method of securing bundles of letter-size mail. Plastic strapping placed around the length and girth is the preferred method of securing bundles of flat-size mail.

284.433 Separation of Mail. Letter-size and flat-size mail must be bundled separately. LC and AO mail classes may be commingled in a letter-size or flat-size mail bundle.

284.5 Sacking Requirements

284.51 Direct Country Sacks (10 Pounds or More)

284.511 General. When there are 10 pounds or more of mail addressed to the same country (including Great Britain, the Federal Republic of Germany, and Mexico) the mail must be enclosed in blue international airmail sacks and labeled to the country with Tag 116 (AV 8 Tag). All types of mail, including the letter-size bundles, flat-size bundles, and loose items for each destination ca-

be commingled in the same sack and counted toward the 10 pound minimum.

284.511 Direct Country Sack Label. Direct country sacks must be labeled with PS Tag 116. The tag is white and specially coded to route the mail to a specific country and airport of destination. The blocks on the tag for date, weight, and dispatch information must be completed by the Postal Service and may not be completed by the mailer. Tag 115, *International Priority Airmail*, must also be affixed to the Direct Country Sacks. Tag 115 is a "Day-Glo" pink tag that identifies the mail to ensure it receives priority handling.

284.52 Mixed Direct Country Bundle Sacks

284.521 General. The direct country bundles containing six or more pieces destined to a specific country that cannot be made up in direct country sacks, must be enclosed in orange Priority Mail sacks unless other equipment is specified by the acceptance office.

284.522 Mixed Direct Country Sack Label. The sack label must be completed as follows:

Line 1: DIS Acceptance Post Office Routing Code

Line 2: International Priority Airmail

Line 3: Mailer, Mailer Location

Example:

DIS, Philadelphia, PA 190
International Priority Airmail
ABC Store, Philadelphia, PA

284.53 Nonpresort/Residual Mail Sacks

284.531 General. The working bundles of mixed country mail and loose items should be enclosed in orange Priority Mail sacks unless other equipment is specified by the acceptance office. Nonpresorted letter-size mail consisting of 400 pieces or more may be presented in trays if authorized by the acceptance office. Working bundles of mixed mail cannot be enclosed in Mixed Direct Country Sacks.

284.532 Nonpresort/Residual Mail Sack Label. The sack label must be completed as follows:

Line 1: Appropriate U.S. Exchange Office and routing code

Line 2: International Priority Airmail—WKG

Line 3: Mailer, Mailer Location

Example:

AMF, Boston, MA 021
International Priority Airmail—WKG
CPA Company, Boston, MA

284.54 Tags and Weight Maximum for Sacks

284.541 Weight Maximum. The maximum weight of the sack and contents must not exceed 66 pounds.

284.542 Tag 115 and Tag 116. All IPA sacks (direct country, mixed direct country bundle sacks and nonpresort/residual mail sacks must be labeled with Tag 115, *International Priority Airmail*. Tag 115 is a "Day-Glo" pink tag that identifies IPA mail to ensure that it receives priority treatment. Tag 116 is a dispatching tag to be used only for Direct Country Sacks. Tag 116 is white and specially coded to route the mail to a specific country and airport of destination. The blocks on the tag for date, weight, and dispatch information must be completed by the Postal Service and may not be completed by the mailer. Postal tags and sacks are available from the post office.

284.6 Bundle and Sack Label Information. Mailers may obtain routing information for facing slips and sack labels from the acceptance post office. Routing information is also printed in Publication 507, *International Priority Airmail Mailer Guidelines*, and Handbook IM-201 *International Priority Airmail Guidelines*.

284.7 Customs Forms Requirements

284.71 Letters and Letter Packages. See 224.5.

284.72 Printed Matter. See 244.6.

284.73 Small Packets. See 264.5.

A transmittal letter making the changes in the pages in the International Mail manual will be published and transmitted to subscribers automatically. Notice of issuance of the transmittal letter will be published in the **Federal Register** as provided by 39 CFR 20.3.

Fred Eggleston,

Assistant General Counsel, Legislative Division.

[FR Doc. 90-10622 Filed 5-8-90; 8:45 am]

BILLING CODE 7710-12-M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[FRL-3763-5]

Approval and Promulgation of State Implementation Plans; Montana

AGENCY: Environmental Protection Agency.

ACTION: Final rule; correction.

SUMMARY: On December 2, 1988 (53 FR 48645) EPA added 40 CFR 52.1382(c) which described an air quality modeling commitment made by Montana. However, 40 CFR 52.1382(c) which described Class II designations already existed. Today's notice redesignates 40 CFR 52.1382(c), which pertains to air quality modeling, as 40 CFR 52.1382(d). On June 7, 1989 (54 FR 24341) EPA added 40 CFR 52.1387, stack height regulations. However, a § 52.1387, visibility protection, already existed. Today's notice redesignates § 52.1387, stack height regulations, as § 52.1388.

EFFECTIVE DATES: January 31, 1989, for the corrections to 40 CFR 52.1382. July 7, 1989, for the corrections to 40 CFR 52.1387.

FOR FURTHER INFORMATION CONTACT: Laurie Ostrand, Air Programs Branch, Environmental Protection Agency, 999 18th Street, suite 500, Denver, Colorado 80202-2405, (303) 293-1814, FTS 330-1814.

Dated: April 26, 1990.

Irwin L. Dickstein,

Acting Regional Administrator.

40 CFR part 52, subpart BB, is amended as follows.

PART 52—[AMENDED]

Subpart BB—Montana

1. The authority citation for part 52 continues to read as follows:

Authority: 42 U.S.C. 7401-7642

§ 52.1382 [Amended]

2. Section 52.1382 is amended by redesignating paragraph (c) (which was inadvertently added on December 2, 1988 (53 FR 48645)) as (d).

§ 52.1387 [Amended]

3. Part 52 is amended by redesignating § 52.1387 (which was inadvertently added on June 7, 1989 (54 FR 24341)) as § 52.1388.

[FR Doc. 90-10620 Filed 5-8-90; 8:45 am]

BILLING CODE 6560-50-M

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40 CFR Part 264

[FRL-3394-9]

Hazardous Waste Management System; Final Codification Rule; Correction

AGENCY: Environmental Protection Agency.

ACTION: Final Rule; correction.

SUMMARY: EPA is issuing a correction notice for §§ 264.221(c) and 264.301(c) as promulgated on July 15, 1985 (see 50 FR 28747 and 28748 respectively). This

correction notice is based on a decision reached in the United States Court of Appeals for the District of Columbia on June 23, 1987, concerning a lawsuit filed against EPA. This correction notice applies to certain landfill and surface impoundment units for which the Part B of the permit application was received by November 8, 1984. Permits issued for units in this category are not required to include conditions imposing double liner and leachate collection system requirements as a matter of statute pursuant to section 3004(o) but may include such requirements where necessary to protect human health and the environment on a case-by-case basis pursuant to section 3005(c).

EFFECTIVE DATE: May 9, 1990.

FOR FURTHER INFORMATION CONTACT: Mr. Alessi Otte (202) 382-4654.

SUPPLEMENTARY INFORMATION: On June 23, 1987, the United States Court of Appeals for the District of Columbia issued its decision in *United Technologies Corp.* vs. *U.S. Environmental Protection Agency*. The lawsuit challenged a number of aspects of EPA's July 15, 1985, final rule interpreting amendments to the Resource Conservation and Recovery Act (RCRA) enacted in HSWA. The Court of Appeals upheld all but one of EPA's interpretations. The only portion of the rule that the Court found lacking dealt with the applicability of the minimum technological requirements (i.e., double liner and leachate detection and collection systems) provision contained in section 3004(o)(1) of the Act, 42 U.S.C. section 6924(o)(1). The Court concluded as follows:

> We do find that 40 CFR Sec. 265.221, 265.301 are invalid to the extent that they impose Section 3004(o) technological requirements on owners and operators whose applications for a final determination on their Section 3005 permits were received before November 8, 1984.

EPA in this final rule is making conforming changes to its regulations in line with the Court of Appeals decision. In this regard, EPA interprets the decision as applying to section 3004(o)(1) requirements where permit applications were received by the date of enactment of HSWA, for purposes of requiring double liners and leachate collection systems as permit conditions under section 3005(c). The conforming changes appear in 40 CFR part 264.221 and 264.301.

Petitioners did not challenge and the decision does not address the applicability of the minimum technological requirements under section 3015, which was also codified in the July 15, 1985 rule. Section 3015 contains its own applicability provision. It applies to new, replacement, and expanded surface impoundments and landfill units that qualify for interim status and that receive waste after May 8, 1985 (six months after the date of enactment of HSWA). It subjects these facilities to the "requirements of section 3004(o)." In light of the separate applicability plan describe above, EPA interprets this language as referring to the substantive requirements in section 3004(o) rather than its applicability provisions. Hence, section 3015 applies without regard to the date the owner/operator submitted a part B permit application. Since part 265 implements section 3015, no change is necessary to part 265.

Similarly, the decision has no impact on the applicability of minimum technological requirements under section 3005(j). Section 3005(j) again contains its own applicability provision. It requires owners and operators of surface impoundments in existence and qualifying for interim status on November 8, 1984, to stop receiving hazardous waste by November 8, 1988, unless the owner or operator retrofits the unit to come into "compliance with the requirements of section 3004(o)(1)(A)" by November 8, 1988, or qualifies for a statutory exemption. Again, EPA interprets this provision as applying the substantive requirements of section 3004(o) to the units described in the separate jurisdictional provisions of section 3005(j). Hence, the Court's decision to read section 3004(o) as applying to units for which part B applications are first submitted after November 8, 1984, has no impact on the surface impoundment retrofit requirements.

In addition, nothing in the Court of Appeals decision addresses or affects EPA's ability to condition permits pursuant to RCRA section 3005(c)(3) to ensure protection of human health and the environment. Thus, regardless of the date of permit application, Regional Administrators can determine, based on a case-by-case evaluation, that a permit may need to be conditioned to include minimum technological requirements, due to the particular circumstances associated with a facility or the characteristics of a specific site.

List of Subjects in 40 Part 264

Hazardous waste, Insurance, Packaging and containers, Reporting and recordkeeping requirements, Security measures, Surety bonds.

Dated: April 27, 1990.

William K. Reilly,
Administrator.

For the reasons set out in the preamble, title 40 of the Code of Federal Regulations is amended as follows:

PART 264—STANDARDS FOR OWNERS AND OPERATORS OF HAZARDOUS WASTE TREATMENT, STORAGE, AND DISPOSAL FACILITIES

1. The authority citation for part 264 continues to read as follows:

Authority: 42 U.S.C. 6905, 6912(a), 6924 and 6925.

2. Section 264.221 is amended by revising paragraph (c) to read as follows:

§ 264.221 Design and operating requirements.

* * * * *

(c) The owner or operator of each new surface impoundment, each new surface impoundment unit at an existing facility, each replacement of an existing surface impoundment unit, and each lateral expansion of an existing surface impoundment unit, must install two or more liners and leachate collection system between such liners. The liners and leachate collection system must protect human health and the environment. The requirements of this paragraph shall apply with respect to all waste received after insurance of the permit for units where the part B of the permit application is received by the Regional Administrator after November 8, 1984. The requirement for the installation of two or more liners in this paragraph may be satisfied by the installation of a top liner designed, operated, and constructed of materials to prevent the migration of any constituent into such liner during the period such facility remains in operation (including any post-closure monitoring period), and a lower liner designed, operated, and constructed to prevent the migration of any constituent through such liner during such period. For the purpose of the preceding sentence, a lower liner shall be deemed to satisfy such requirement if it is constructed of at least a 3-foot thick layer of recompacted clay or other natural material with a permeability of no more than 1×10^{-7} centimeter per second.

* * * * *

3. Section 264.301 is amended by revising paragraph (c) to read as follows:

§ 264.301 Design and operating requirements.

* * * * *

(c) The owner or operator of each new landfill, each new landfill unit at an existing facility, each replacement of an existing landfill unit, and each lateral expansion of an existing landfill unit, must install two or more liners and a leachate collection system above and between the liners. The liners and leachate collection systems must protect human health and the environment. The requirements of this paragraph shall apply with respect to all waste received after issuance of the permit for units where the part B of the permit application is received by the Regional Administrator after November 8, 1984. The requirement for the installation of two or more liners in this paragraph may be satisfied by the installation of a top liner designed, operated, and constructed of materials to prevent the migration of any constituent into such liner during the period such facility remains in operation (including any post-closure monitoring period), and a lower liner designed, operated, and constructed to prevent the migration of any constituent through such liner during such period. For the purpose of the preceding sentence, a lower liner shall be deemed to satisfy such requirement if it is constructed of at least a 3-foot thick layer of recompacted clay or other natural material with a permeability of no more than 1×10^{-7} centimeter per second.

* * * * *

[FR Doc. 90-10842 Filed 5-8-90; 8:45 am]

BILLING CODE 6560-50-M

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40 CFR Part 350

[OPTS-400039A; FRL-3734-6]

Notice of Change of Address for Submission of Information Under the Emergency Planning and Community Right-to-Know Act; Correction

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule; correction.

SUMMARY: EPA issued a change of address notice that was published in the Federal Register of January 5, 1990 (55 FR 420). The P.O. Box number was inadvertently misstated. This notice corrects that P.O. Box number.

DATES: This document is effective May 9, 1990.

FOR FURTHER INFORMATION CONTACT: Doug Sellers, Project Officer, Title III Reporting Center, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460, Telephone: 202-382-3587.

SUPPLEMENTARY INFORMATION: In the Federal Register of January 5, 1990 (55 FR 420), EPA issued a notice announcing the new mailing address to be used by facilities when submitting toxic chemical release forms and trade secrecy claims to EPA under section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (also known as Title III). The P.O. Box number for the new mailing address was incorrectly stated as "223779" in the preamble and codified text on page 420, in the third column, in two places: the eleventh line of the SUPPLEMENTARY INFORMATION paragraph and the next to the last line of the codified text. The correct mailing address is: Title III Reporting Center, Environmental Protection Agency, P.O. Box 23779, Washington, DC 20026-3779.

Dated: April 26, 1990.

Linda A. Travers,

Director, Information Management Division, Office of Toxic Substances.

[FR Doc. 90-10843 Filed 5-8-90; 8:45 a.m.]

BILLING CODE 6560-50-D

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[FCC 90-125]

Broadcast Services; Withdrawal of Disqualifying Major Change Amendments

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: The Commission revises §§73.3571, 73.3572, and 73.3573 of its rules regarding processing of AM, FM, and television applications to allow an applicant who submits a major amendment, that would otherwise require the assignment of a new file number and place the applicant at the end of the processing line, to withdraw the amendment. Applicants in comparative cases may withdraw such amendments any time prior to designation of the application for hearing; or subject to the discretion of the Administrative Law Judge after designation for a hearing. This policy has existed with regard to applicants in comparative cases since the late 1970's. This action is taken to formally codify the policy with regard to all applicants.

EFFECTIVE DATE: May 9, 1990.

ADDRESSES: Federal Communication Commission, Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Marilyn Mohrman-Gillis, Mass Media Bureau, (202) 632-7792.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's Order, FCC No. 90-125, adopted April 9, 1990, and released May 1, 1990. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street, NW., Washington, DC. The complete text of this decision may also be purchased from the Commission's copy contractor, International Transcription Services, (202) 857-3800, 2100 M Street, NW., suite 140, Washington, DC 20037.

Synopsis of Order

1. The Commission revises 47 CFR 73.3571, 73.3572, and 73.3573 regarding processing of AM, FM, and television applications to permit an applicant to withdraw a pre-designation amendment to an application that is mutually exclusive with other applications if it would require assignment assignment of a new file number and place that applicant at the end of the processing line. The Order also amends the rules to permit applicants to withdraw pre-designation major amendments during the hearing stage of a proceeding at the discretion of the Administrative Law Judge. Finally, single applicants are permitted to withdraw a major change amendment.

2. The rules being amended had required that where an applicant submits a major amendment after the period for amendment had expired but before the application had been designated for a hearing, if applicable, the application would be assigned a new file number and placed at the end of the processing line. In comparative cases, this had the effect of removing the applicant from the processing. In cases involving a single applicant, the applicant was again subjected to competing applications and petitions to deny. Since the late 1970's the Commission has permitted applicants in comparative cases to withdraw such amendments rather than be removed from the proceeding. *See e.g., Golden Shores Broadcasting Co.*, 2 FCC Rcd 4743 (1987); *Tequesta Television, Inc.*, 61 RR 2d 1403 (1987). The Commission issued this Order to codify this previously established policy.

3. In making these amendments, the Commission recognized that the purpose of the original rule was to eliminate

repetitive processing of applications, not to punish applicants who inadvertently file major amendments. Where the applicant withdraws its major amendment the concerns which prompted the Commission to adopt the rules are eliminated: The processing of other applications is not disrupted, there is no prejudice to other parties, and harmful processing delays do not occur. Finally, by routinely notifying an applicant that its tendered amendment is considered "major" and providing an opportunity for withdrawal rather than removing the applicant from the proceeding, "draconian" results are avoided.

Procedural Matters

4. The Commission found that prior notice and comment procedures were unnecessary to implement the rule amendments below because the amendments involve general rules of Agency practice or procedure. *See* 5 U.S.C. 553(b)(3)(A). Further, because the rule changes are procedural and impose no additional burdens, but rather operate to relieve restrictions, the 30-day effective date requirements of the Administrative Procedure Act do not apply. *See* 5 U.S.C. 553(d)(3). The new rule provisions will therefore be made effective upon publication.

Ordering Clauses

5. Accordingly, pursuant to sections (4) (i) and (j), and 301, 303, 308, and 309 of the Communications Act of 1934, as amended, it is ordered that part 73 of the Commission's Rules is amended as set forth below, effective upon publication in the **Federal Register**.

List of Subjects in 47 CFR Part 73

Radio broadcasting, Television broadcasting.

Amendatory Text

Part 73 of title 47 of the Code of Federal Regulations is amended to read as follows:

PART 73—[AMENDED]

1. The authority citation for part 73 continues to read as follows:

Authority: 47 U.S.C. 154 and 303.

2. Section 73.3571 is amended by redesignating paragraph (j)(3) as paragraph (j)(4) and adding new paragraph (j)(3) to read as follows:

§ 73.3571 Processing of AM broadcast station applications.

* * * * *

(j) (* * *)

(3) Where an amendment to an application would require a new file number pursuant to paragraph (j)(1) or (j)(2) of this section, the applicant will have an opportunity to withdraw the amendment at any time prior to designation for a hearing if applicable; and may be afforded, subject to the discretion of the Administrative Law Judge, an opportunity to withdraw the amendment after designation for a hearing.

* * * * *

3. Section 73.3572 is amended by redesignating paragraphs (c)–(f) as (d)–(g) and adding new paragraph (c) to read as follows:

§ 73.3572 Processing of TV broadcast, low power TV, TV translator and TV booster station applications.

* * * * *

(c) Where an amendment to an application would require a new file number pursuant to paragraph (b) of this section, the applicant will have the opportunity to withdraw the amendment at any time prior to designation for a hearing if applicable; and may be afforded, subject to the discretion of the Administrative Law Judge, an opportunity to withdraw the amendment after designation for a hearing.

* * * * *

4. Section 73.3573 is amended by redesignating paragraphs (c)–(g) as (d)–(h) and adding new paragraph (c) to read as follows:

§ 73.3573 Processing of FM Broadcast and FM translator station applications.

* * * * *

(c) Where an amendment to an application would require a new file pursuant to paragraph (b) of this section, the applicant will have the opportunity to withdraw the amendment at any time prior to designation for a hearing if applicable; and may be afforded, subject to the discretion of the Administrative Law Judge, an opportunity to withdraw the amendment after designation for a hearing.

* * * * *

Federal Communications Commission.

Donna R. Searcy,

Secretary.

[FR Doc. 90-10695 Filed 5-8-90; 8:45 am]

BILLING CODE 6712-01-M

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47 CFR Part 73

[MM Docket No. 89-407; RM-6890]

Radio Broadcasting Services; Lexington, MS

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: This document substitutes Channel 273C3 for Channel 273A at Lexington, Mississippi, in response to a petition filed by Fanny T. Cothran. We shall also modify the construction permit for Station WDLG, Channel 273A, to specify operation on Channel 273C3. The coordinates for Channel 273C3 are 33-09-06 and 90-07-45.

EFFECTIVE DATE: June 15, 1990.

FOR FURTHER INFORMATION CONTACT: Kathleen Scheuerle, Mass Media Bureau, (202) 634-6530.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's Report and Order, MM Docket No. 89-407, adopted April 17, 1990, and released May 2, 1990. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street, NW., Washington, DC. The complete text of this decision may also be purchased from the Commission's copy contractors, International Transcription Service, (202) 857-3800, 2100 M Street, NW., Suite 140, Washington, DC 20037.

List of Subjects in 47 CFR Part 73

Radio broadcasting.

PART 73—[AMENDED]

1. The authority citation for part 73 continues to read as follows:

Authority: 47 U.S.C. 154, 303.

§ 73.202 [Amended]

2. Section 73.202(b), the Table of FM Allotments under Mississippi, is amended by removing Channel 273A and adding Channel 273C3 at Lexington.

Federal Communications Commission.

Kathleen B. Levitz,

Deputy Chief, Policy and Rules Division, Mass Media Bureau.

[FR Doc. 90-10697 Filed 5-8-90; 8:45 am]

BILLING CODE 6712-01-M

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47 CFR Part 73

[MM Docket No. 89-411; RM-6944]

Radio Broadcasting Services; Hazlehurst, MS

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: This document substitutes Channel 265C3 for Channel 265A at Hazlehurst, Mississippi, in response to a petition filed by Copiah County Broadcasting Company. We shall also modify the license for Station WMDC(FM) to specify operation on Channel 265C3. The coordinates for Channel 265C3 are 31-50-00 and 90-11-00.

EFFECTIVE DATE: June 15, 1990.

FOR FURTHER INFORMATION CONTACT: Kathleen Scheuerle, Mass Media Bureau, (202) 634–6530.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's Report and Order, MM Docket No. 89–411, adopted April 16, 1990, and released May 2, 1990. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street, NW., Washington, DC. The complete text of this decision may also be purchased from the Commission's copy contractors, International Transcription Service, (202) 857–3800, 2100 M Street, NW., Suite 140, Washington, DC 20037.

List of Subjects in 47 CFR Part 73

Radio broadcasting.

PART 73—[AMENDED]

1. The authority citation for part 73 continues to read as follows:

Authority: 47 U.S.C. 154, 303.

§ 73.202 [Amended]

2. Section 73.202(b), the Table of FM Allotments under Mississippi, is amended by removing channel 265A and adding Channel 265C3 at Hazlehurst.

Federal Communications Commission.

Kathleen B. Levitz,

Deputy Chief, Policy and Rules Division, Mass Media Bureau.

[FR Doc. 90–10698 Filed 5–8–90; 8:45 am]

BILLING CODE 6712-01-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Parts 611, 672 and 675

[Docket No. 900244-0044]

Foreign Fishing; Groundfish of the Gulf of Alaska; Groundfish of the Bering Sea and Aleutian Islands

AGENCY: National Marine Fisheries Service (NMFS), NOAA, Commerce.

ACTION: Notice of termination of emergency interim rule.

SUMMARY: The Secretary of Commerce (Secretary) has determined that the emergency interim rule limiting pollock roe stripping in the groundfish fisheries off Alaska is no longer necessary for the remainder of its effective period. The Secretary, therefore, terminates the emergency interim rule by publication of this notice. The Secretary takes this action with the agreement of the North Pacific Fishery Management Council (Council). This action is necessary to promote the objectives of the Fishery Management Plans governing the Groundfish Fishery of the Gulf of Alaska and the Groundfish Fishery of the Bering Sea and Aleutian Islands Area (FMP's).

EFFECTIVE DATE: May 3, 1990.

FOR FURTHER INFORMATION CONTACT: Susan J. Salveson (Fishery Management Biologist, NMFS), 907–586–7230.

SUPPLEMENTARY INFORMATION: The domestic and foreign groundfish fisheries in the Gulf of Alaska and the Bering Sea and Aleutian Islands areas are managed by the Secretary pursuant to the FMP's prepared by the Council under the authority of the Magnuson Fishery Conservation and Management Act (Magnuson Act). The FMPs are implemented by regulations for the foreign fisheries at 50 CFR part 611 and for the domestic fisheries at 50 CFR parts 672 and 675.

At its December, 1989, meeting, the Council recommended that the Secretary implement an emergency interim rule prohibiting the extraction of roe (eggs) from pollock during 1990 unless male and female carcasses were further processed into commercial products. On February 23, 1990, the Secretary found that an emergency existed in the groundfish fisheries off Alaska and published an emergency interim rule under section 305(e) of the Magnuson Act constraining the practice of pollock roe stripping in the EEZ off Alaska during the 1990 pollock roe season. The justification for the Secretary's findings are summarized in the preamble to the emergency interim rule published in the **Federal Register** on February 23, 1990 (55 FR 6396).

The emergency interim rule limits the amount of pollock roe that may be retained on board a fishing vessel to no more than seven percent of the total round weight equivalent of other pollock and pollock products retained on board the vessel. The Secretary imposed this limitation for 1990 to (1) Discourage targeting on the female component of spawning pollock stocks and make roe stripping operations less attractive; (2) reduce the rate at which allowable pollock quotas are harvested in the roe season and provide a more equitable distribution of the pollock resource among all sectors of the groundfish industry; (3) curb the burgeoning development of the pollock roe fishery and mitigate the potential adverse impact of this fishery on pollock populations and marine resources; and (4) provide fuller utlization of the pollock resource and reduce wastage of useable fish protein.

The emergency interim rule is effective through May 16, 1990. However, the 1990 pollock roe season is now completed; pre-spawning pollock aggregations have dispersed or are dispersing, and female pollock no longer bear commercially valuable roe in appreciable quantities. Catch and production reports submitted by groundfish harvesters and processors indicate that pollock roe has not been retained for commercial sale since the week ending April 14, 1990. Consequently, the Secretary finds that the emergency no longer exists in the groundfish fisheries off Alaska and that the emergency interim rule is no longer necessary for conservation and management of the groundfish fishery off Alaska. Therefore, the Secretary terminates the emergency interim rule before the end of its published effectiveness period. The Council concurred in this action at its April, 1990, meeting held in Anchorage, Alaska.

The Council is preparing amendments to the FMPs to address the issue of pollock roe stripping. The Council, at its June, 1990 meeting, will consider whether these amendments should be submitted to the Secretary for review under section 304 of the Magnuson Act, 16 U.S.C. Section 1854. If submitted by the Council and approved by the Secretary, the amendments could be implemented by January 1, 1991, to limit roe stripping in the 1991 pollock fishery.

Classification

This action is authorized by section 305(e)(3)(C) of the Magnuson Act, 16 U.S.C. 1855(e), and complies with Executive Order 12291.

List of Subjects in 50 CFR Parts 611, 672 and 675

Fish, Fisheries, Foreign fishing, Recordkeeping and reporting.

Dated: May 3, 1990.

William W. Fox, Jr.,

Assistant Administrator for Fisheries, National Marine Fisheries Service.

For the reasons set out in the preamble, 50 CFR parts 611, 672 and 675 are amended as follows:

PART 611—FOREIGN FISHING

1. The authority citation for part 611 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*, 16 U.S.C. 971 *et seq.*, 16 U.S.C. 1361 *et seq.*

§ 611.92 [Amended]

2. In § 611.92, paragraph (c)(3) is removed.

§ 611.93 [Amended]

3. In § 611.93, paragraph (c)(6) is removed.

PART 672—GROUNDFISH OF THE GULF OF ALASKA

4. The authority citation for part 672 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

§ 672.20 [Amended]

5. In § 672.20, paragraph (i) is removed.

PART 675—GROUNDFISH OF THE BERING SEA AND ALEUTIAN ISLANDS

6. The authority citation for part 675 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

§ 675.20 [Amended]

7. In § 675.20, paragraph (j) is removed.

[FR Doc. 90-10712 Filed 5-8-90; 8:45 am]

BILLING CODE 3510-22-M

Proposed Rules

Federal Register
Vol. 55, No. 90
Wednesday, May 9, 1990

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Part 78

[Docket No. 89-217]

CITE® Test, Brucellosis

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Proposed rule.

SUMMARY: We propose to amend the brucellosis regulations by allowing designated epidemiologists to consider the results of the concentration immunoassay technology (CITE®) test as a diagnostic supplement to the standard card testing of all cattle and bison. Currently, the regulations allow use of the CITE® test as a supplemental test only for official vaccinates. This action is considered necessary in order to permit more accurate diagnostic testing than has been available to determine brucellosis disease status, and to avoid the unnecessary destruction of valuable cattle and bison.

DATES: Consideration will be given only to comments received on or before June 8, 1990.

ADDRESSES: To help ensure that your written comments are considered, send an original and three copies to Chief, Regulatory Analysis and Development, PPD, APHIS, USDA, room 866, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782. Please state that your comments refer to Docket No. 89-217. Comments received may be inspected at USDA, room 1141, South Building, 14th Street and Independence Avenue SW., Washington, DC, between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: Dr. John D. Kopec, Senior Staff Veterinarian, Cattle Diseases and Surveillance Staff, VS, APHIS, USDA, room 730, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782, 301-436-6188.

SUPPLEMENTARY INFORMATION:

Background

Brucellosis is an infectious and contagious disease, caused by bacteria of the genus *Brucella*, that affects animals and man. The Secretary of Agriculture is authorized to cooperate with the States in conducting a brucellosis eradication program. The regulations in 9 CFR part 78 (referred to below as the regulations) govern the interstate movement of cattle, bison, and swine in order to help prevent the interstate spread of brucellosis.

Official brucellosis tests are used for determining the brucellosis status of cattle, bison, and swine. The regulations stipulate that testing negative to an official brucellosis test is a condition for certain interstate movements of cattle, bison, and swine. Additionally, official tests are used to determine eligibility for indemnity payments for animals destroyed because of brucellosis.

The standard card test is the official test used most often in cattle and bison sent to market. However, this test is so sensitive that cattle and bison that have antibodies from having been vaccinated against brucellosis may erroneously test positive. In an interim rule published in the **Federal Register** on May 6, 1988 (53 FR 16245-16246, Docket No. 88-026), we approved use of the concentration immunoassay technology (CITE®) test [1] as a diagnostic supplement to standard card testing for cattle and bison that are official vaccinates.

The CITE® test permits diagnostic testing in the stockyard, and therefore provides faster results than can be provided by tests performed in a laboratory. The CITE® test is less sensitive than the standard card test to antibodies resulting from brucellosis vaccination and serves, therefore, as a supplemental procedure for immediate verification of standard card test results.

The CITE® test is also capable of distinguishing between nonvaccinated animals that test positive to the standard card test due to infection with *Brucella abortus*, and animals that test positive to the standard card test by exhibiting a heterospecific titer due to exposure to other, similar organisms that are not of concern under the regulations. The current regulations require that cattle and bison that react positively to the standard card test cannot be moved interstate except for immediate slaughter, unless supplemental laboratory tests show them to have been incorrectly classified as brucellosis reactors. This can involve holding the reacting animal and animals associated with it in quarantine for several days until supplemental diagnostic tests are done at a laboratory. This delay can be avoided by allowing designated epidemiologists to use information from the CITE® test as a diagnostic supplement to standard card testing when determining the brucellosis disease status of all cattle and bison that react to the standard card test.

We have monitored the use of the CITE® test at stockyards since its approval, and have determined that there are difficulties associated with using the test only for official vaccinates, and that there are advantages to using the CITE® test as a supplemental test for nonvaccinated animals that show positive results to the standard card test.

Standard card test errors are currently resulting in the unnecessary destruction of cattle and bison valuable because of their breeding characteristics. This occurs because many livestock markets operate on the basis of one-day sales and are not able to hold nonvaccinated animals while laboratory verification of nonspecific standard card test reactions is being conducted. If the owner of the cattle or bison cannot transport and hold the animals elsewhere under quarantine conditions, they can only be moved for slaughter.

At present, many nonvaccinated cattle and bison with false positive reactions to the standard card test (caused by titers to organisms similar to *Brucella abortus*) are moved for slaughter because the owner is unable to hold the animals until laboratory verification can be obtained. The CITE® test can supply immediate supplementary data, allowing same-day on-site verification of most questionable standard card test results. This would prevent the slaughter of many cattle and bison whose genes would otherwise be lost to this country's breeding pool.

[1] Further information on procedures for the CITE® test may be obtained from AgriTech Systems, Inc., 100 Fore Street, Portland, ME 04101.

The CITE® test is currently used only as a supplemental test for animals that are official vaccinates. However, official vaccinates are not always readily identifiable at stockyards. Normally, official vaccinates are identified by a metal eartag and ear tattoo. However, sometimes eartags fall off, and tattoos are not always readily visible (e.g., tattoos in black ink on black eared Angus cattle). Therefore, it is not always feasible at stockyards to determine which cattle and bison are official vaccinates eligible for supplemental testing using the CITE® test. Use of the CITE® test would be facilitated if it could be used for all cattle and bison, not just official vaccinates.

Therefore, we are proposing to amend the regulations to allow designated epidemiologists to use results of the CITE® test as a diagnostic supplement to determine the brucellosis disease status of all cattle and bison.

Executive Order 12291 and Regulatory Flexibility Act

We are proposing this rule in conformance with Executive Order 12291, and we have determined that it is not a "major rule." Based on information compiled by the Department, we have determined that this rule would have an effect on the economy of less than $100 million; would not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and would not cause a significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

This action would allow designated epidemiologists a faster method of gathering data to supplement standard card test results. The current procedure of verifying standard card test results by performing supplemental testing in the laboratory would remain a possible option.

This amendment would not change the testing requirements for brucellosis. It would merely authorize an optional methodology to laboratory verification of standard card test results. CITE® testing is faster than laboratory testing because it can be done at the stockyard and allows for faster marketing, but the economic effect on owners of official vaccinate cattle or bison should not be significant.

The primary economic effects of this action would be in the form of economic benefits to the owners of several hundred cattle moved to slaughter each year as a result of false positive standard card tests. Many of these owners are small entities. Use of the CITE® test would allow these owners to move the cattle for purposes other than slaughter and increase their profit from sale of the cattle.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action would not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act

This proposed rule contains no information collection or recordkeeping requirements under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et. seq.*).

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR part 3015, subpart V.)

List of Subjects in 9 CFR Part 78

Animal diseases, Brucellosis, Cattle, Hogs, Incorporation by reference, Quarantine, Transportation.

PART 78—BRUCELLOSIS

Accordingly, we propose to amend 9 CFR part 78 as follows:

1. The authority citation for part 78 would continue to read as follows:

Authority: 21 U.S.C. 111–114a–1, 114g, 115, 117, 120, 121, 123–126, 134b, 134f; 7 CFR 2.17, 2.51, and 371.2(d).

§ 78.1 [Amended]

2. Paragraph (a)(9) of the definition of "Official test" in § 78.1 would be amended by removing the phrase "official vaccinates" and adding in its place the phrase "cattle and bison".

§ 78.1 [Amended]

3. Paragraph (a)(11)(i) of the definition of "Official test" in § 78.1 would be amended by removing the phrase "official vaccinates" and adding in its place the phrase "cattle and bison".

Done in Washington, DC, this 3rd day of May 1990.

James W. Glosser,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 90–10810 Filed 5–8–90; 8:45 am]

BILLING CODE 3410-34-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 89-NM-202-AD]

Airworthiness Directives; Airbus Industrie Model A300 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Supplemental notice of proposed rulemaking (NPRM); reopening of comment period.

SUMMARY: This notice proposes to amend an earlier proposed airworthiness directive (AD), applicable to certain Airbus Industrie Model A300 series airplanes, which would have required modification of the ram air turbine (RAT) system. This proposal would amend the original proposal by extending the proposed compliance time, requiring additional repetitive ground tests of the ram air turbines, and requiring overhaul of the ram air turbine.

DATES: Comments must be received no later than June 11, 1990.

ADDRESSES: Send comments on the proposal in duplicate to the Federal Aviation Administration, Northwest Mountain Region, Transport Airplane Directorate, ANM–103, Attention: Airworthiness Rules Docket No. 89–NM–202–AD, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168. The applicable service information may be obtained from Airbus Industrie, Airbus Support Division, Avenue Didier Daurat, 31700 Blagnac, France. This information may be examined at the FAA, Northwest Mountain Region, Transport Airplane Directorate, 17900 Pacific Highway South, Seattle, Washington, or the Standardization Branch, 9010 East Marginal Way South, Seattle, Washington.

FOR FURTHER INFORMATION CONTACT: Mr. Greg Holt, Standardization Branch, ANM–113; telephone (206) 431–1918. Mailing address: FAA, Northwest Mountain Region, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168.

SUPPLEMENTARY INFORMATION: Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the regulatory docket number and be submitted in duplicate to the address specified above. All communications received on or before

the closing date for comments specified above will be considered by the Administrator before taking action on the proposed rule. The proposals contained in this Notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report summarizing each FAA/public contact, concerned with the substance of this proposal, will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this Notice must submit a self-addressed, stamped post card on which the following statement is made: "Comments to Docket Number 89-NM-202-AD." The post card will be date/time stamped and returned to the commenter.

Discussion

A proposal to amend Part 39 of the Federal Aviation Regulations, which would have required modification of the ram air turbine system on certain Airbus Industrie Model A300 series airplanes, was published as a Notice of Proposed Rulemaking (NPRM) in the **Federal Register** on October 20, 1989 (54 FR 43069). That NPRM was prompted by reports that, during ground and flight tests of the ram air turbine, the blades remained in the feathered pitch of initial spin-up, instead of progressively moving to the operating pitch, due to corrosion in the blade bearing and operating pin assembly. This condition, if not corrected, could result in failure of the ram air turbine system to provide hydraulic power in an emergency situation.

Dowty Rotol has issued Service Bulletin 29-124, Revision 3, dated March 29, 1989, which describes procedures for a ground check-out test of the ram air turbine and overhaul, if necessary. The Direction Generale de L'Aviation Civile (DGAC), which is the airworthiness authority of France, has classified the Dowty Rotol Service Bulletin as mandatory, and has issued Airworthiness Directive 85-146-IMP(AB)RI addressing this subject.

In its comments to the NPRM, the manufacturer noted that the ground checkout test mandated by the French AD is a more appropriate means for addressing the unsafe condition addressed by this action. It further noted that the new greasing procedure described in Airbus Service Bulletin A300-29-088 (which was referenced in the NPRM) does not serve as terminating action for the ground test procedures. After further review, the FAA concurs, and has determined that the greasing procedure, which was proposed in the NPRM, does not adequately address the unsafe condition. Accordingly, this proposed rule has been revised to require repetitive ground tests, in lieu of the greasing procedure.

Since these additional requirements would expand the scope of the proposed rule, the FAA has determined that it is necessary to revise the Notice accordingly and provide additional time for public comment.

Additionally, several commenters stated that the FAA's estimate of the cost of the AD appeared to address only the cost associated with work done on the airplane and not the cost of the RAT modification. Upon further investigation, the FAA has determined that the estimated cost for overhauling the RAT is approximately $35,000 per unit. The economic analysis paragraph, below, has been revised to reflect the revised cost figures for inspections and overhauling the RAT.

This airplane model is manufactured in France and type certificated in the United States under the provisions of § 21.29 of the Federal Aviation Regulations and the applicable bilateral airworthiness agreement.

Since this condition is likely to exist or develop on other airplanes of the same type design registered in the United States, an AD is proposed which would require repetitive ground tests of the ram air turbines and overhaul of the ram air turbine in accordance with the service bulletin previously described.

It is estimated that 66 airplanes of U.S. registry would be affected by this AD, that it would take approximately 1 manhour per airplane to accomplish the ram air test, and that the average labor cost would be $40 per manhour. The estimated cost for overhauling the RAT is approximately $35,000 per unit. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be $2,312,640.

The regulations proposed herein would not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this proposal would not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this proposed regulation (1) is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) if promulgated, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A copy of the draft evaluation prepared for this action is contained in the regulatory docket. A copy of it may be obtained from the Rules Docket.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend 14 CFR part 39 of the Federal Aviation Regulations as follows:

PART 39—[AMENDED]

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983); and 14 CFR 11.89.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding the following new airworthiness directive:

Airbus Industrie: Applies to Model A300 series airplanes, Serial Numbers 001 through 305, certificated in any category. Compliance is required as indicated, unless previously accomplished.

To prevent failure of the ram air turbine system to provide hydraulic power in an emergency situation, accomplish the following:

A. For ram air turbines on which neither modification No. RM 370 (Dowty Rotol Service Bulletin 29-76) nor modification No. RM 401 (Dowty Rotol Service Bulletin 29-104) has been accomplished; or on which one, but not both, of those modifications has been accomplished: Perform a ground test of the ram air turbines, in accordance with Dowty Rotol Service Bulletin 29-124, Revision 3, dated March 29, 1989, as follows:

1. Prior to a. or b., below, whichever occurs later:

a. 4,000 hours time-in-service or 24 months since new or overhaul, whichever occurs first, or

b. 600 hours time-in-service or 6 months after the effective date of this AD, whichever occurs first.

2. Repeat the ground test at intervals not to exceed 600 hours time-in-service or 6 months, whichever occurs first.

B. For ram air turbines on which both modification No. RM 370 (Dowty Rotol

Service Bulletin 29-76) and modification No. RM 401 (Dowty Rotol Service Bulletin No. 29-104) have been accomplished: Perform a ground test of the ram air turbines, in accordance with Dowty Rotol Service Bulletin 29-124, Revision 3, dated March 29, 1989, as follows:

1. Prior to a. or b., below, whichever occurs later:

a. 7,500 hours time-in-service or 30 months since new or overhaul, whichever occurs first, or

b. 1,500 hours time-in-service or 6 months after the effective date of this AD, whichever occurs first.

2. Repeat the ground test at intervals not to exceed 3,000 hours time-in-service or 12 months, whichever occurs first.

C. If the ram air turbine fails to function properly during the ground tests required by paragraphs A. or B., above, prior to further flight, replace with a serviceable unit, or overhaul the unit, in accordance with Dowty Rotol overhaul manual 29-21-24.

D. Prior to 1. or 2., below, whichever occurs later, perform an overhaul of the ram air turbine system in accordance with Dowty Rotol overhaul manual 29-21-24:

1. 20,000 hours time-in-service or 10 years since new or overhauled, whichever occurs first, or

2. 12 months or 3,000 hours time-in-service, after the effective date of the AD, whichever occurs first.

E. An alternate means of compliance or adjustment of the compliance time, which provides an acceptable level of safety, may be used when approved by the Manager, Standardization Branch, ANM-113, FAA, Northwest Mountain Region.

Note: The request should be forwarded through an FAA Principal Maintenance Inspector (PMI), who will either concur or comment and then send it to the Manager, Standardization Branch, ANM-113.

F. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes to a base in order to comply with the requirements of this AD.

All persons affected by this directive who have not already received the appropriate service documents from the manufacturer may obtain copies upon request to Airbus Industrie, Airbus Support Division, Avenue Didier Daurat, 31700 Blagnac, France. These documents may be examined at the FAA, Northwest Mountain Region, Transport Airplane Directorate, 17900 Pacific Highway South, Seattle, Washington, or the Standardization Branch, 9010 East Marginal Way South, Seattle, Washington.

Issued in Seattle, Washington, on May 1, 1990.

Leroy A. Keith,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 90-10766 Filed 5-8-90; 8:45 am]

BILLING CODE 4910-13-M

14 CFR Part 39

[Docket No. 90-NM-49-AD]

Airworthiness Directives; Boeing Model 747 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This notice proposes to adopt a new airworthiness directive (AD), applicable to certain Boeing Model 747 series airplanes, which would require penetrant inspection and proof pressure testing of the engine bleed air crossover ducts, and repair or replacement, as necessary; and a one-time stress relieving of the duct welds. This proposal is prompted by reports of cracked or ruptured ducts which have resulted in damaged aircraft components, air turnbacks, and other significant interruptions to scheduled service. This condition, if not corrected, could lead to failure of the crossover manifold ducting which, in turn, could result in damage to the air conditioning packs, wing leading edge panels, and/or electrical wiring.

DATES: Comments must be received no later than July 2, 1990.

ADDRESSES: Send comments on the proposal in duplicate to the Federal Aviation Administration, Northwest Mountain Region, Transport Airplane Directorate, ANM-103, Attention: Airworthiness Rules Docket No. 90-NM-49-AD, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168. The applicable service information may be obtained from Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124. This information may be examined at the FAA, Northwest Mountain Region, Transport Airplane Directorate, 17900 Pacific Highway South, Seattle, Washington, or Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

FOR FURTHER INFORMATION CONTACT: Mr. Mahinder K. Wahi, Systems and Equipment Branch, ANM-130S; telephone (206) 431-1955. Mailing address: FAA, Northwest Mountain Region, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168.

SUPPLEMENTARY INFORMATION: Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the regulatory docket number and be submitted in duplicate to the address specified above. All communications received on or before the closing date for comments specified above will be considered by the Administrator before taking action on the proposed rule. The proposals contained in this Notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report summarizing each FAA/public contact, concerned with the substance of this proposal, will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this Notice must submit a self-addressed, stamped post card on which the following statement is made: "Comments to Docket Number 90-NM-49-AD." The post card will be date/time stamped and returned to the commenter.

Discussion

There have been numerous incidents of cracked or ruptured engine bleed air crossover ducting on Boeing Model 747 series airplanes. Several of these reported incidents have resulted in interruptions to scheduled service, such as air turnbacks and damaged airplane components. Such duct ruptures were typically caused by cracking which initiated in and around the circumferential weld that fastens an end-flange to the duct. The latest crossover duct rupture (and air turnback) occurred even though all the leading edge pneumatic ducts had been previously inspected and pressure tested in accordance with Boeing Service Bulletin 747-36A2074, as required by AD 88-17-07, Amendment 39-5986 (53 FR 28856; August 1, 1988). In light of this, the FAA has determined that inspection of the crossover ducts must also be required. Cracks in the crossover ducts, if not detected and corrected, could lead to failure of these ducts, which could result in damage to the air conditioning packs, leading edge wing panels, and/or electrical wiring.

The FAA has reviewed and approved Boeing Service Bulletin 747-36-2078, Revision 1, dated June 15, 1989, which describes the procedures for penetrant inspection, proof pressure testing, and repair or replacement, as necessary; and procedures for stress-relieving of the crossover ducts. The stress-relieving procedure serves as terminating action for inspection and testing.

Since this condition is likely to exist or develop on other airplanes of this same type design, an AD is proposed which would require penetrant inspection, proof pressure testing, and repair or replacement, as necessary; and a one-time stress relieving of the crossover ducts (as terminating action), in accordance with the service bulletin previously described.

There are approximately 640 Model 747 series airplanes of the affected design in the worldwide fleet. It is estimated that 172 airplanes of U.S. registry would be affected by this AD, that it would take approximately 236 manhours per airplane to accomplish the required actions, and that the average labor cost would be $40 per manhour. Based on these figures, the total cost impact of the AD on U.S. operators for the initial required action is estimated to be $1,623,680, and a similar amount for the terminating action.

The regulations proposed herein would not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this proposal would not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this proposed regulation (1) Is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) if promulgated, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A copy of the draft evaluation prepared for this action is contained in the regulatory docket. A copy of it may be obtained from the Rules Docket.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend 14 CFR part 39 of the Federal Aviation Regulations as follows:

PART 39—[AMENDED]

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised Pub. L. 97–449, January 12, 1983); and 14 CFR 11.89.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding the following new airworthiness directive:

Boeing: Applies to Model 747 series airplanes, except Model 747–400, line position 002 through 707, certificated in any category. Compliance required as indicated, unless previously accomplished.

To prevent damage to air conditioning packs, leading edge wing panels, and/or electrical wiring as a result of failure of crossover pneumatic ducts, accomplish the following:

A. Prior to the accumulation of 5,850 flight cycles, or within the next 1,850 flight cycles after the effective date of this AD, whichever occurs later, conduct a penetrant inspection and proof pressure test to detect cracks or ruptures of the crossover ducts, in accordance with the Accomplishment Instructions, Items A. through F., J., and K., of Boeing Service Bulletin 747–36–2078, Revision 1, dated June 15, 1989. If cracks or ruptures are detected, prior to further flight, repair or replace in accordance with the service bulletin. The stress relieving procedure specified in Items G., H., and I. of the service bulletin may be accomplished in conjunction with the penetrant inspection required by this paragraph, and constitutes terminating action for the requirements of paragraph B., below, for all crossover pneumatic ducts.

B. Prior to the accumulation of 3,000 flight cycles after accomplishment of the initial inspection required by paragraph A., above, accomplish the following actions concurrently:

1. Conduct a penetrant inspection and proof pressure test to detect cracks or ruptures of the crossover ducts, in accordance with Items A. through F., J. and K. of the Accomplishment Instructions of Boeing Service Bulletin 747–36–2078, Revision 1, dated June 15, 1989. If cracks or ruptures are detected, prior to further flight, repair or replace in accordance with the service bulletin.

2. Conduct stress relieving of the crossover ducts in accordance with Items G., H., and I. of the Accomplishment Instructions of Boeing Service Bulletin 747–36–2078, Revision 1, dated June 15, 1989.

C. An alternate means of compliance or adjustment of the compliance time, which provides an acceptable level of safety, may be used when approved by the Manager, Seattle Aircraft Certification Office, FAA, Northwest Mountain Region.

Note: The request should be forwarded through an FAA Principal Maintenance Inspector (PMI), who will either concur or comment and then send it to the Manager, Seattle Aircraft Certification Office.

D. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes to a base in order to comply with the requirements of this AD.

All persons affected by this directive who have not already received the appropriate service documents from the manufacturer may obtain copies upon request to Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124. These documents may be examined at the FAA, Northwest Mountain Region, Transport Airplane Directorate, 17900 Pacific Highway South, Seattle, Washington, or Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

Issued in Seattle, Washington, on April 30, 1990.

Steven B. Wallace,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 90–10765 Filed 5–8–90; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 71

[Airspace Docket No. 90–ANE–07]

Proposed Amendment to Control Zone, Norwood, MA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This Notice proposes to amend the description of the Norwood, Massachusetts Control Zone. The description of the Norwood, Massachusetts Control Zone would be changed to reflect the decommissioning of the Whitman VOR and to delete airspace no longer needed to protect instrument approaches to the Norwood Memorial Airport.

DATES: Comments must be received on or before June 22, 1990.

ADDRESSES: Send comments on the Rule in triplicate to: Manager, System Management Branch, Air Traffic Division, New England Region, Docket No. 90–ANE–07, Department of Transportation, Federal Aviation Administration, Burlington, MA 01803.

The Official Docket may be examined in the Office of the Assistant Chief Counsel, New England Region, Federal Aviation Administration, 12 New England Executive Park, Burlington, MA 01803.

FOR FURTHER INFORMATION CONTACT: Charles M. Taylor, System Management Branch, ANE–530, Federal Aviation Administration, Burlington, MA 01803; Telephone: (617) 270–2428.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy aspects of the proposal. Communications should identify the airspace docket and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Airspace Docket No. 90–ANE–07." The postcard will be date/time stamped and returned to the commenter. All communications received before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination in the Rules Docket FAA New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, Massachusetts, both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRMs

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the Office of the Assistant Chief Counsel ANE–7, Federal Aviation Administration, 12 New England Executive Park, Burlington, MA 01803. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRMs should also request a copy of Advisory Circular No. 11–2A which describes the application procedure.

The Proposal

The FAA is considering an amendment to § 71.171 of part 71 of the Federal Aviation Regulations (14 CFR part 71) to amend the description of the Norwood, Massachusetts Control Zone. The description of the Norwood, Massachusetts Control Zone would be changed to reflect the decommissioning of the Whitman VOR and to delete airspace no longer needed to protect instrument approaches to the Norwood Memorial Airport. Section 71.171 of part 71 of the Federal Aviation Regulations was republished in Handbook 7400.6F dated January 2, 1990.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) Is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this proposed rule will not have a significant economic impact on a substantial number of small entities under the Criteria of the Regulatory Flexibility Act.

Lists of Subjects in 14 CFR Part 71

Aviation safety, Control zones.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation Administration proposes to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) as follows:

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 1348(a), 1354(a), 1510; Executive Order 10854; 49 U.S.C. 106(g) (Revised Pub. L. 97–449, January 12, 1983); 14 CFR 11.69.

§ 71.171 [Amended].

2. Section 71.171 is amended as follows:

Norwood, MA [Revised].

Within a 5-mile radius of the center (Latitude 42°11′20″ N, Longitude 71°10′15″ W.) of the Norwood Memorial Airport, Norwood, MA and within 2 miles each side of the 144 (T) 160 (M) degree bearing from the center of Norwood Memorial Airport extending from the 5 miles radius zone to a point 6 miles southeast of the airport. This Control Zone is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Airport/Facility Directory.

James I. Lucas,

Manager, Air Traffic Division.

[FR Doc. 90–10771 Filed 5–8–90; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 71

[Airspace Docket No. 90–ANE–06]

Proposed Amendment to Control Zone, Hartford, CT

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This Notice proposes to amend the description of the Hartford, Connecticut Control Zone. A review of the legal description of the Hartford, Connecticut control zone has determined that the description of the control zone includes airspace no longer needed to protect instrument approaches at Hartford-Brainard Airport and Rentschler Field.

DATES: Comments must be received on or before June 22, 1990.

ADDRESSES: Send comments on the Rule in triplicate to: Manager, System Management Branch, Air Traffic Division, New England Region, Docket No. 90–ANE–06, Department of Transportation, Federal Aviation Administration, Burlington, MA 01803.

The Official Docket may be examined in the Office of the Assistant Chief Counsel, New England Region, Federal Aviation Administration, 12 New England Executive Park, Burlington, MA 01803.

FOR FURTHER INFORMATION CONTACT: Charles M. Taylor, System Management Branch, ANE–530, Federal Aviation Administration, Burlington, MA 01803; Telephone: (617) 270–2428.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy aspects of the proposal. Communications should identify the airspace docket and be submitted in triplicate to the address listed above. Commenters wishing the

FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Airspace Docket No. 90-ANE-06." The postcard will be date/time stamped and returned to the commenter. All communications received before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination in the Rules Docket, FAA New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, Massachusetts, both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRM'S

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the Office of the Assistant Chief Counsel ANE-7, Federal Aviation Administration, 12 New England Executive Park, Burlington, MA 01803. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRMs should also request a copy of Advisory Circular No. 11-2A which describes the application procedure.

The Proposal

The FAA is considering an amendment to Section 71.171 of Part 71 of the Federal Aviation Regulations (14 CFR part 71) to amend the description of the Hartford, Connecticut control zone and delete that airspace no longer needed to protect instrument approaches at Hartford-Brainard Airport and Rentschler Field. Section 171 of part 71 of the Federal Aviation Regulations was republished in Handbook 7400.6F dated January 2, 1990.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) Is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this proposed rule will not have a significant economic impact on a substantial number of small business entities under the Criteria of the Regulatory Flexibility Act.

Lists of Subjects in 14 CFR Part 71

Aviation safety, Control zones.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation Administration proposes to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) as follows:

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 1348(a), 1354(a), 1510; Executive Order 10854; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983); 14 CFR 11.69.

§ 71.171 [Amended]

2. Section 71.171 is amended as follows:

Hartford, CT [Revised]

Within a 5-mile radius of the center (Latitude 41 44'10"N, Longitude 72 39'02" W.) of the Hartford-Brainard Airport; within 2 miles each side of the 140 (T) 154 (M) degree bearing from the Hartford-Brainard Airport extending from the 5 miles radius zone to a point 9 miles southeast of the airport; within 2 miles each side of the 169 (T) 183 (M) degree bearing from the Hartford-Brainard Airport extending from the 5 mile radius zone to a point 7.5 miles south of the airport and within 1.5 miles each side of the 038 (T) 052 (M) degree bearing from the Hartford-Brainard Airport extending from the 5 miles radius zone to a point 7 miles northeast of the airport.

Issued in Burlington, Massachusetts.

James I. Lucas,

Manager, Air Traffic Division.

[FR Doc. 90-10770 Filed 5-8-90; 8:45 am]

BILLING CODE 4910-13-M

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14 CFR Part 71

(Airspace Docket No. 90-ASW-22)

Proposed Establishment of Control Zone: Ruidoso, NM

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This notice proposes to establish a part-time control zone at Ruidoso, NM. This proposed action is necessary because the Sierra Blanca Airport meets the criteria for the establishment of a control zone by the fact that there is a part-time nonfederal airport traffic control tower (ATCT) at the Sierra Blanca Airport and there are federally certificated weather observers who will be able to take hourly and special weather observations at the Sierra Blanca Airport during the times the control zone is in effect. The intended effect of this proposal is to provide adequate controlled airspace for aircraft executing the standard instrument approach procedure (SIAP) serving the Sierra Blanca Airport. The establishment of a control zone would allow the Sierra Blanca Airport to be used as an alternate airport under instrument flight rules (IFR) weather conditions.

DATES: Comments must be received on or before June 29, 1990.

ADDRESSES: Send comments on the proposal in triplicate to: Manager, System Management Branch, Air Traffic Division, Southwest Region, Docket No. 90-ASW-22, Department of Transportation, Federal Aviation Administration, Fort Worth, TX 76193-0530.

The official docket may be examined in the office of the Assistant Chief Counsel, Southwest Region, Federal Aviation Administration, 4400 Blue Mound Road, Fort Worth, TX.

FOR FURTHER INFORMATION CONTACT: Bruce C. Beard, System Management Branch, Department of Transportation, Federal Aviation Administration, Fort Worth, TX 76193-0530; telephone: (817) 624-5561.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposal. Communications should identify the airspace docket and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Airspace Docket No. 90-ASW-22."

The postcard will be date/time stamped and returned to the commenter. All communications received before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination in the Office of the Assistant Chief Counsel, 4400 Blue Mound Road, Fort Worth, TX, both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRM's

Any person may obtain a copy of this notice of proposed rulemaking (NPRM) by submitting a request to the Manager, System Management Branch, Department of Transportation, Federal Aviation Administration, Fort Worth, TX 76193–0530. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRM's should also request a copy of Advisory Circular No. 11–2A which describes the application procedure.

The Proposal

The FAA is considering an amendment to § 71.171 of the Federal Aviation Regulations (14 CFR part 71) to establish a control zone at Ruidoso, NM. This proposed action is necessary because the Sierra Blanca Airport meets the criteria for the establishment of a control zone by the fact that there is a part-time nonfederal ATCT at the Sierra Blanca Airport and there are federally certificated weather observers who would be able to take hourly and special weather observations at the Sierra Blanca Airport during the times the control zone is in effect. The intended effect of this proposal is to provide adequate controlled airspace for aircraft executing the SIAP serving the Sierra Blanca Airport. The establishment of a control zone would allow the Sierra Blanca Airport to be used as an alternate airport under IFR weather conditions. Section 71.171 of part 71 of the Federal Aviation Regulations was republished in Handbook 7400.6F dated January 2, 1990.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Aviation Safety, Control zones.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me, the FAA proposes to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) as follows:

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 1348(a), 1354(a), 1510; Executive Order 10854; 49 U.S.C. 106(g) (Revised Pub. L. 97–449, January 12, 1983); 14 CFR 11.69.

§ 71.171 [Amended]

2. Section 71.171 is amended as follows:

Ruidoso, NM [New]

Within a 5-mile radius of the Sierra Blanca Airport (latitude 33°27'46" N., longitude 105°32'03" W.). This control zone is effective during the specific dates and times established in advance by a notice to airmen. The effective dates and times will thereafter be continuously published in the Airport/Facility Directory.

Issued in Fort Worth, TX, on April 26, 1990.

Larry L. Craig,

Manager, Air Traffic Division, Southwest Region.

[FR Doc. 90–10768 Filed 5–8–90; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 71

[Airspace Docket No. 90–AWA–5]

Proposed Alteration of VOR Federal Airways; NY

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This notice proposes to alter the descriptions of VOR Federal airways located in the State of New York. This proposal would realign V–145 from Watertown, NY, to Ottawa, Ontario, Canada. This proposal would also establish a segment of V–423 between Syracuse, NY, and Uplands Nondirectional Radio Beacon (NDB), Ontario, Canada. This action is the result of airway structure modification by Transport Canada and would facilitate air traffic flow into Canada along these routes.

DATES: Comments must be received on or before June 22, 1990.

ADDRESSES: Send comments on the proposal in triplicate to: Manager, Air Traffic Division, AEA–500, Docket No. 90–AWA–5, Federal Aviation Administration, JFK International Airport, The Fitzgerald Federal Building, Jamaica, NY 11430.

The official docket may be examined in the Rules Docket, weekdays, except Federal holidays, between 8:30 a.m. and 5 p.m. The FAA Rules Docket is located in the Office of the Chief Counsel, room 916, 800 Independence Avenue, SW., Washington, DC.

An informal docket may also be examined during normal business hours at the office of the Regional Air Traffic Division.

FOR FURTHER INFORMATION CONTACT: Jesse B. Bogan, Jr., Airspace and Obstruction Evaluation Branch (ATP–240), Airspace-Rules and Aeronautical Information Division, Air Traffic Rules and Procedures Service, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone: (202) 267–9253.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy aspects of the proposal. Communications should identify the airspace docket and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Airspace Docket No. 90–AWA–5." The postcard will be date/time stamped and returned to the commenter. All communications

received before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination in the Rules Docket both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRM's

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Office of Public Affairs, Attention: Public Inquiry Center, APA-230, 800 Independence Avenue, SW., Washington, DC 20591, or by calling (202) 267-3484. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRM's should also request a copy of Advisory Circular No. 11-2A which describes the application procedure.

The Proposal

The FAA is considering an amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) to alter the descriptions of VOR Federal Airways V-145 and V-423. This action would realign V-145 between Watertown, NY, and Ottawa, Ontario, Canada, and would also establish a segment of V-423 between Syracuse, NY, and Uplands NDB, Ontario, Canada. This action is the result of airway structure modification by Transport Canada. Air traffic flow along these routes into Canada would be facilitated by this action. Section 71.123 of part 71 of the Federal Aviation Regulations was republished in Handbook 7400.6F dated January 2, 1990.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore— (1) Is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Aviation safety, VOR federal airways.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation Administration proposes to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) as follows:

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 1348(a), 1354(a), 1510; Executive Order 10854; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983); 14 CFR 11.69.

§ 71.123 [Amended]

2. § 71.123 is amended as follows:

V-145 [Amended]

By removing the words "INT Watertown 358° radial and the United States/Canadian border." and substituting the words "Ottawa, ON, Canada. The airspace within Canada is excluded."

V-423 [Amended]

By removing the words "to Syracuse, NY." and substituting the words "Syracuse, NY; Watertown, NY; to Uplands NDB, ON, Canada. The airspace within Canada is excluded."

Issued in Washington, DC, on May 1, 1990.

Harold W. Becker,

Manager, Airspace-Rules and Aeronautical Information Division.

[FR Doc. 90-10767 Filed 5-8-90; 8:45 am]

BILLING CODE 4910-13-M

INTERNATIONAL TRADE COMMISSION

19 CFR Part 201

Privacy Act; Information and Requests

AGENCY: International Trade Commission.

ACTION: Notice of proposed rule with request for comments.

SUMMARY: The Commission proposes to exempt a new system of records from certain requirements of the Privacy Act of 1974, 5 U.S.C. Section 552a ("Privacy Act"). The exemption will cover the investigative files of the Commission's Office of Inspector General to the extent that this system contains material relating to criminal law enforcement or compiled for law enforcement purposes.

DATES: Comments on this proposed rule must be received on or before July 9, 1990.

ADDRESSES: Interested persons may submit comments concerning the proposed rule to: Kenneth R. Mason, Secretary, U.S. International Trade Commission, Office of the Secretary, 500 E Street, SW., Room 112, Washington, DC 20436.

FOR FURTHER INFORMATION CONTACT: Jane E. Altenhofen, Inspector General, 202-252-2210. Hearing impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal on 202-252-1810.

SUPPLEMENTARY INFORMATION: Under a separate notice in today's **Federal Register**, the Commission proposes the establishment of a new system of records covered by the Privacy Act of 1974. The system, entitled Office of Inspector General Investigative Files, will contain investigatory material compiled for law enforcement purposes. The Commission proposes to exempt the system from certain provisions of the Privacy Act.

The Privacy Act requires an agency to allow an individual access to files maintained by the agency on that individual; provide a mechanism for the individual to request amendment of information in the files; account for disclosures of the records; collect and maintain only information relevant and necessary to the purpose of the file; publish certain information in the **Federal Register**; and promulgate rules establishing procedures for notice and disclosure of the records. The Act also allows agencies to exempt certain files from these requirements.

An agency component whose principal function includes activity relating to the enforcement of criminal laws may maintain a system of records that includes material associated with such enforcement. This system may be exempted from all provisions of the Privacy Act except subsections (b), (c)(1) and (2), (e)(4)(A) through (F), (e)(6), (7), (9), (10), and (11), and (i), provided it includes: "(A) information compiled for the purpose of identifying individual criminal offenders and alleged offenders and consisting only of identifying data and notations of arrests, the nature and disposition of criminal charges, sentencing, confinement, release and parole and probation status; (B) information compiled for the purpose of a criminal investigation, including reports of informants and investigators

and associated with an identifiable individual; or (C) reports identifiable to an individual compiled at any stage of the process of enforcement of the criminal laws from arrest or indictment through release from supervision." 5 U.S.C. Section 552a(j)(2). The Privacy Act also allows agencies to provide an exemption for files that contain investigatory materials compiled for law enforcement purposes other than the enforcement of criminal laws. The agency may exempt files with such materials from the provisions in subsections (c)(3), (d), (e)(1), (e)(4)(G) through (I), and (f).

The Commission's Office of Inspector General was created by the Inspector General Act Amendments of 1988, Public Law 100-504. Under this law, the Inspector General is required to detect and prevent fraud and abuse in the programs and operations of the Commission. In fulfilling this duty, the Inspector General is authorized to conduct investigations and to assist in the prosecution of those who participate in fraudulent activities. The Inspector General collects and maintains information in its records pursuant to its law enforcement and criminal investigation functions, and the files in the Office of Inspector General Investigative Files contain the information covered by the above-mentioned exemptions to the Privacy Act.

The exemptions provided by sections 552a(j)(2) and (k)(2) are necessary to protect the integrity and confidentiality of the investigative files. Disclosure of these files could allow suspects the opportunity to conceal, destroy or distort evidence, intimidate or harm sources of information and potential witnesses, or otherwise hinder the progress of the investigation. Other Privacy Act requirements regarding the manner of collection, verification or retention of information could also impede the investigations of the Inspector General by limiting the information that could be gathered and/or retained for comparison with other data. Subjecting these investigative files to the full requirements of the Privacy Act could dilute the effectiveness of the Inspector General investigations and subvert the goal of preventing fraud and abuse at the Commission.

The Commission has previously promulgated Section 201.32 of its rules to provide Privacy Act exemptions for various types of its records. In connection with the establishment of a new system of records containing the Office of Inspector General Investigative Files, the Chairman proposes to amend part 201, subpart D, by adding two new subsections, 19 CFR 201.32(d) and 19 CFR 201.32(e), Inspector General Exemptions, pursuant to sections 552a (j)(2) and (k)(2) of the Privacy Act.

The Commission has determined that this rule does not constitute a major rule under section 1(b) of Executive Order 12291 because it will not result in (1) an annual effect on the economy of at least $100 million or more, (2) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions, or (3) significant adverse effects on competition, employment, investment, productivity, or innovation. In addition, the Regulatory Flexibility Act, 5 U.S.C. 605(b), does not apply since this rule will not have significant impact on a substantial number of small entities. The Privacy Act concerns the rights of individuals, who do not constitute small entities under the Regulatory Flexibility Act.

List of Subjects in 19 CFR Part 201

Privacy, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the U.S. International Trade Commission proposes to amend 19 CFR Part 201, Subpart D, as follows:

PART 201—RULES OF GENERAL APPLICATION

Subpart D—Safeguarding Individual Privacy Pursuant to 5 U.S.C. 552a

1. The authority citation for subpart D continues to read as follows:

Authority: 5 U.S.C. 552a

2. Part 201, Subpart D, is amended to add 201.32(d) and 201.32(e) as follows:

§ 201.32 Specific exemptions.

* * * * *

(d) In order to protect the effectiveness of Inspector General investigations, records contained in the system titled Office of Inspector General Investigative Files, insofar as they include investigatory material compiled for law enforcement purposes, shall be exempt from this subpart and from subsections (c)(3), (d), (e)(1), (e)(4)(G), (H), and (I) and (f) of section 3 of the Privacy Act. *Provided, however*, that if any individual is denied any right, privilege, or benefit to which he is otherwise entitled to under Federal law due to the maintenance of this material, such material shall be provided to such individual except to the extent that the disclosure of such material would reveal the identity of a source who furnished information to government investigators under an express promise that the identity of the source would be held in confidence.

(e) Pursuant to 5 U.S.C. 552a(j)(2), and in order to protect the confidentiality and integrity of Inspector General investigations, records maintained in the Office of Inspector General Investigative Files, insofar as they contain information pertaining to the enforcement of criminal laws, shall be exempt from this subpart and from the Privacy Act, except that, subsections (b), (c)(1) and (2), (e)(4)(A) through (F), (e)(6), (7), (9), (10), and (11) and (i) shall still apply to these records.

Dated: April 30, 1990.

By the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 90-10797 Filed 5-8-90; 8:45 am]

BILLING CODE 7020-02

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 180

[PP 8E3677, 9E3716, 9E3718, 9E3753, 9E3779/P512; FRL-3741-1]

Pesticide Tolerances for Oxyfluorfen

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: This document proposes that tolerances be established for residues of the herbicide oxyfluorfen and its metabolites in or on the raw agricultural commodities papaya, taro (corms and leaves), persimmons, horseradish, and feijoa. The proposed regulation to establish a maximum permissible level for residues of the herbicide in or on the commodities was requested in petitions submitted by the Interregional Research Project No. 4 (IR-4).

DATES: Comments, identified by the document control number [PP 8E3677, 9E3716, 9E3718, 9E3753, 9E3779/P512], must be received on or before May 24, 1990.

ADDRESSES: By mail, submit written comments to: Information Services Branch, Program Management and Support Division (H7502C), Office of Pesticide Programs, Environmental Protection Agency, 401 M St. SW., Washington, DC 20460. In person, bring comments to: Rm. 246, CM#2, 1921 Jefferson Davis Highway, Arlington, VA 22202.

Information submitted as a comment concerning this document may be

claimed confidential by marking any part or all of that information as "Confidential Business Information" (CBI). Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2. A copy of the comment that does not contain CBI must be submitted for inclusion in the public record. Information not marked confidential may be disclosed publicly by EPA without prior notice. All written comments will be available for public inspection in Rm. 246 at the address given above, from 8 a.m. to 4 p.m., Monday through Friday, excluding legal holidays.

FOR FURTHER INFORMATION CONTACT: By mail: Hoyt Jamerson, Emergency Response and Minor Use Section (H-7505C), Registration Division, Office of Pesticide Programs, Environmental Protection Agency, 401 M St. SW., Washington, DC 20460. Office location and telephone number: Rm. 716C, CM#2, 1921 Jefferson Davis Highway, Arlington, VA 22202, 703-557-2310.

SUPPLEMENTARY INFORMATION: The Interregional Research Project No. 4, (IR-4), New Jersey Agricultural Experiment Station, P.O. Box 231, Rutgers University, New Brunswick, NJ 08903, has submitted pesticide petitions 8E3677, 9E3716, 9E3718, 9E3753, and 9E3779 to EPA on behalf of Dr. Robert H. Kupelian, National Director, IR-4 Project, and the named Agricultural Experiment Stations. These petitions requested that the Administrator, pursuant to section 408(e) of the Federal Food, Drug, and Cosmetic Act, propose the establishment of a tolerance for residues of the herbicide oxyfluorfen [2-chloro-1-(3-ethoxy-4-nitrophenoxy)-4-(trifluoromethyl)benzene] and its metabolites containing the diphenyl ether linakage at 0.05 ppm in or on certain raw agricultural commodities as follows:

1. *PP 8E3677.* Petition submitted on behalf of the Hawaii Agricultural Experiment Station proposing a tolerance for papaya.

2. *PP 9E3716.* Petition submitted on behalf of the Hawaii Agricultural Experiment Station proposing a tolerance for taro (corms and leaves).

3. *PP 9E3718.* Petition submitted on behalf of the Agricultural Experiment Stations of California, Florida, and Hawaii proposing a tolerance for persimmon.

4. *PP 9E3753.* Petition submitted on behalf of the Agricultural Experiment Stations of Illinois, Maryland, and Wisconsin proposing a tolerance for horseradish.

5. *PP 9E3779.* Petition submitted on behalf of the Agricultural Experiment Station of California proposing a tolerance for feijoa.

The petitioner proposed that use on the commodities papaya and taro (corms and leaves) be limited to Hawaii based on the geographical representation of the residue data submitted. Additional residue data will be required to expand the area of usage. Persons seeking geographically broader registration should contact the Agency's Registration Division at the address provided above.

The data submitted in the petitions and other relevant material have been evaluated. The pesticide is considered useful for the purpose for which the tolerances are sought. The toxicological data considered in support of the proposed tolerances include:

1. A rat acute oral toxicity study with an LD_{50} greater than 5.0 grams (g)/kilogram (kg).

2. A rabbit developmental study with a no-observed-effect level (NOEL) for developmental and maternal effects at 10 milligrams (mg)/kg/day. Developmental effects, an increase in fused sternebrae, were observed at 30 mg/kg/day (highest dose tested). Maternal effects were also observed at 30 mg/kg/day and may be responsible for the developmental effects observed at this level.

3. A rat developmental study with a NOEL for developmental and maternal effects at 100 mg/kg/day. Developmental effects consisting of lower implantation efficiency, a higher resorption index, and a lower fetal viability incidence were observed at 1,000 mg/kg/day (highest dose tested). Maternal effects were also observed at 1,000 mg/kg/day (HDT) and may be responsible for the developmetnal effects observed at this level.

4. A 2-year dog feeding study with a NOEL of 100 ppm (equivalent to 2.5 mg/kg/day).

5. A three-generation rat reproduction study with a NOEL of 10 ppm (equivalent to 0.5 mg/kg/day). Effects were observed at 100 ppm as evidenced by decreases in fetal viability, fetal body weight, and maternal body weight.

6. A 2-year rat chronic feeding/oncogenicity study with a NOEL of 40 ppm (equivalent to 2.0 mg/kg/day) and no oncogenic effects observed under the conditions of the study at dosage levels of 2, 40, and 800 ppm (the 800-ppm dosage level was raised to 1,600 ppm at week 57 of the test).

7. A rat cytogenetic assay (technical oxyfluorfen), negative; *Salmonella* assays (technical grade), positive with and without activation in strains TA98, TA100, and TA1537; *Salmonella* assays (purified oxyfluorfen), negative with and without activation at concentrations up to 7,500 ug/plate in strains TA98, TA100, TA1535, and TA1537; mouse lymphoma assay (technical oxyfluorfen), positive with activation levels 2 to 4 times background at concentrations up to 40 ug/ml, negative (purified oxyfluorfen) without activation to 1,000 ug/ml; Unscheduled DNA Synthesis Assays (technical and polar fraction), both negative; and host-mediated assay (technical grade), negative.

8. A 20-month chronic feeding/oncogenicity study in CD-1 mice using dosage levels of 0, 2, 20, and 200 ppm (equivalent to 0, 0.3, 3, 30 mg/kg/day) with an NOEL of 2 ppm (equivalent to 0.3 mg/kg/day) for systemic effects. Oxyfluorfen was associated with significant positive dose-related trends for liver adenoma, carcinoma, and combined adenoma and/or carcinoma in male mice when compared with historical control data from CD-1 mouse studies of 20 to 22 months duration. There was no apparent effect on the latency period for tumor occurrence, and no compound-related increases in tumors were observed in female mice.

Based on a weight-of-the-evidence determination, the Agency has classified oxyfluorfen as a possible human carcinogen (Category C) with quantified risk. The qualitative categorization of carcinogenicity is based on the Agency's Guidelines for Carcinogenic Risk Assessment, published in the **Federal Register** of September 24, 1986 (51 FR 33992).

Although there was no compound-related increase in tumors observed in female mice or in male or female rats, and no evidence for a reduction in latency period for the time-to-liver-tumor appearance in male mice, quantification of carcinogenic risk for oxyfluorfen is considered appropriate. The decision supporting a Category C classification with quantified risk is based on the significant positive dose-related trends in liver adenomas, carcinomas, and combined adenomas and/or carcinomas in male CD-1 mice. Supporting evidence includes a strong association of oxyfluorfen with diphenyl ether herbicides (a class of herbicides with associated evidence of oncogenicity) and evidence of mutagenicity in the *Salmonella* and the mouse lymphoma assays.

The potential carcinogenic risk from dietary exposure to existing uses of oxyfluorfen is estimated at 1.5×10^{-6}. The dietary risk assessment is based on a potency estimator (Q_1^*) of 0.128 $(mg/kg/day)^{-1}$. Dietary exposure is calculated

at 1.157 X 10^{-5} mg/kg/day based on theoretical maximum residue contribution (TMRC) and anticipated residue contribution (ARC) estimates. The potential carcinogenic risk from tolerance level residues in or on feijoa, horseradish, papaya, persimmon, and taro is estimated at 5.1 X 10^{-8}, a negligible increase. TMRC values assume that 100 percent of the crops are treated and that the resulting residues are at tolerance levels. ARC values estimate expected exposure based on actual residue levels that are anticipated on the treated commodities and percent of the crop treated. Actual carcinogenic risk to residues of oxyfluorfen in the diet is expected to be less than calculated since data were not available to estimate exposure for less than 100 percent treatment of the crop for several commodities which contribute significant residues to the diet.

The acceptable daily intake (ADI) is calculated to be 0.003 mg/kg of body weight, based on a NOEL of 0.3 mg/kg/day from the chronic mouse feeding study NOEL and a 100-fold safety factor. The anticipated residue contribution (ARC) from existing uses of oxyfluorfen and use on feijoa, horseradish, papaya, persimmon, and taro is calculated at 0.00001197 mg/kg/day, 0.4 percent of the reference dose (ADI).

There are no regulatory actions pending agains this pesticide. Oxyfluorfen was the subject of a Rebuttable Presumption Against Registration (RPA) process, and a Notice of Determination was published in the **Federal Register** of June 23, 1982 (47 FR 27118). Oxyfluorfen was referred for review because pesticide products containing oxyfluorfen as an active ingredient were shown to be contaminated with perchloroethylene (PCE), which has been shown to produce liver tumors in mice. The Agency concluded that potential benefits from use of oxyfluorfen outweigh risks from PCE, provided oxyfluorfen products are produced with no more than 200-ppm PCE contaminant. The producer of oxyfluorfen has verified that oxyfluorfen formulations contain a maximum of 200-ppm PCE.

The nature of the residues is adequately understood, and an adequate analytical method, gas chromatography, is available in the Pesticide Analytical Manual, Vol. II (PAM II), for enforcement purposes. There are currently no actions pending against the continued registration of this chemical.

Based on the above information considered by the Agency, the tolerances established by amending 40 CFR 180.381 would protect the public health. No secondary residues in meat, milk, poultry, or eggs are expected since papaya, taro, persimmons, horseradish, and feijoa are not considered livestock feed commodities. Therefore, it is proposed that the tolerances be established as set forth below.

Any person who has registered or submitted an application for registration of a pesticide, under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) as amended, which contains any of the ingredients listed herein, may request within 15 days after publication of this document in the **Federal Register** that this rulemaking proposal be referred to an Advisory Committee in accordance with section 408(e) of the Federal Food, Drug, and Cosmetic Act. As provided in the Administrative Procedure Act (5 U.S.C. 553(d)(3)), the comment period time is shortened to less than 30 days because of the necessity to expeditiously provide a means for control of weeds infesting taro and papaya in Hawaii.

Interested persons are invited to submit written comments on the proposed regulation. Comments must bear a notation indicating the document control number, [PP 8E3677, 9E3716, 9E3718, 9E3753, 9E3779/P512]. All written comments filed in response to this petition will be available in the Public Information Branch, at the address given above from 8 a.m. to 4 p.m., Monday through Friday, except legal holidays.

The Office of Management and Budget has exempted this rule from the requirements of section 3 of Executive Order 12291.

Pursuant to the requirements of the Regulatory Flexibility Act (Pub. L. 96-354, 94 Stat. 1164, 5 U.S.C. 601-612), the Administrator has determined that regulations establishing new tolerances or raising tolerance levels or establishing exemptions from tolerance requirements do not have a significant economic impact on a substantial number of small entities. A certification statement to this effect was published in the **Federal Register** of May 4, 1981 (46 FR 24950).

List of Subjects in 40 CFR Part 180

Administrative practice and procedure, Agricultural commodities, Pesticides and pests, Reporting and recordkeeping requirements.

Dated: April 23, 1990.

Stephanie R. Irene,

Acting Director, Registration Division, Office of Pesticide Programs.

Therefore, it is proposed that 40 CFR part 180 be amended as follows:

PART 180—[AMENDED]

1. The authority citation for part 180 continues to read as follows:

Authority: 21 U.S.C. 346a and 371.

2. In § 180.381, paragraphs (a) and (b) are amended as follows: By adding and alphabetically inserting the raw agricultural commodities feijoa, horseradish, and persimmons in paragraph (a); by adding and alphabetically inserting the raw agricultural commodities papaya and taro (corms and leaves) in paragraph (b), to read as follows:

§ 180.381 Oxyfluorfen; tolerances for residues.

(a) * * *

Commodities	Parts per million
* * *	* *
Feijoa	0.05
* * *	* *
Horseradish	0.05
* * *	* *
Persimmons	0.05
* * *	* *

(b) * * *

Commodities	Parts per million
* * *	* *
Papaya	0.05
Taro (corms and leaves)	0.05

[FR Doc. 90-10547 Filed 5-8-90; 8:45 am]

BILLING CODE 6560-50-D

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40 CFR Part 180

[PP 9E3790/P508; FRL-3734-8]

Pesticide Tolerance for Iprodione

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: This document proposes that a tolerance be established for the combined residues of the fungicide iprodione, its isomer, and its metabolite in or on the raw agricultural commodity Chinese mustard. The proposed regulation to establish a maximum permissible level for residues of the herbicide in or on the commodity was requested in a petition submitted by the Interregional Research Project No. 4 (IR-4).

DATES: Comments, identified by the document control number [PP 9E3790/

P508], must be received on or before June 8, 1990.

ADDRESSES: By mail, submit written comments to: Public Information Branch, Field Operations Division (H7506C), Office of Pesticide Programs, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. In person, bring comments to: Rm. 246, CM #2, 1921 Jefferson Davis Highway, Arlington, VA 22202. Information submitted as a comment concerning this document may be claimed confidential by marking any part or all of that information as "Confidential Business Information" (CBI). Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR Part 2. A copy of the comment that does not contain CBI must be submitted for inclusion in the public record. Information not marked confidential may be disclosed publicly by EPA without prior notice. All written comments will be available for public inspection in Rm. 246 at the address given above, from 8 a.m. to 4 p.m., Monday through Friday, excluding legal holidays.

FOR FURTHER INFORMATION CONTACT: By mail: Hoyt L. Jamerson, Emergency Response and Minor Use Section (H7505C), Registration Division, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. Office location and telephone number: Rm. 716C, CM #2, 1921 Jefferson Davis Highway, Arlington, VA 22202, 703–557–2310.

SUPPLEMENTARY INFORMATION: The Interregional Research Project No. 4 (IR-4), New Jersey Agricultural Experiment Station, P.O. Box 231, Rutgers University, New Brunswick, NJ 08903, has submitted pesticide petition (PP) 9E3790 to EPA on behalf of Dr. Robert H. Kupelian, National Director, IR-4 Project, and the Agricultural Experiment Station of Florida.

This petition requested that the Administrator, pursuant to section 408(e) of the Federal Food, Drug, and Cosmetic Act, propose the establishment of a tolerance for the combined residues of the fungicide iprodione [3-(3,5-dichlorophenyl)-N-(1-methylethyl)-2,4-dioxo-1-imidazolidinecarboxamide], its isomer [3-(1-methylethyl)-N-(3,5-dichlorophenyl)-2,4-dioxo-1-imidazolidinecarboxamide], and its metabolite [3-(3,5-dichlorophenyl)-2,4-dioxo-1-imidazolidinecarboxamide] in or on the raw agricultural commodity Chinese mustard at 15.0 parts per million (ppm). The petitioner proposed that this use of iprodione be limited to Florida based on the geographical representation of the residue data submitted. Additional residue data will be required to expand the area of usage. Persons seeking geographically broader registration should contact the Agency's Registration Division at the address provided above.

The data submitted in the petition and other relevant material have been evaluated. The pesticide is considered useful for the purpose for which the tolerance is sought. The toxicological data considered in support of the proposed tolerance include:

1. A three-generation reproduction study in rats with a no-observed-effect level (NOEL) for reproductive effects of 500 ppm (25 milligrams (mg)/kilogram (kg) of body weight/day), and a systemic NOEL equal to or greater than 2,000 ppm (100 mg/kg/day, the highest dose tested (HDT)).

2. A rabbit teratology study in which doses administered by gavage at 0, 20, 60, and 200 mg/kg/day indicate a maternal NOEL of 20 mg/kg/day and a NOEL for developmental toxicity at 60 mg/kg/day. Developmental toxicity (skeletal variations) was demonstrated at 200 mg/kg/day.

3. A 24-month rat feeding/oncogenicity study using dosage levels of 125, 250, and 1,000 ppm (equivalent to 6.25, 12.5, and 50 mg/kg body weight/day), which showed no carcinogenic effects under the conditions of the study and resulted in a systemic NOEL equal to or greater than 1,000 ppm.

4. An 18-month oncogenicity study in mice using dosage levels of 200, 500, and 1,250 ppm (equivalent to 28.6, 71.4, and 178.6 mg/kg body weight/day), which showed no carcinogenic effects under the conditions of the study, resulting in a systemic NOEL equal to or greater than 1,250 ppm.

5. A 1-year dog feeding study using dosage levels of 100, 600, and 3,600 ppm (4.2, 15, and 90 mg/kg body weight/day) with a NOEL of 100 ppm (4.2 mg/kg body weight/day).

6. A 90-day dog feeding study using dosage levels of 800, 2,400, and 7,200 ppm (20, 60, and 180 mg/kg body weight/day) with a NOEL of 2,400 ppm and an LEL of 7,200 ppm (liver hypertrophy).

7. A mammalian cell forward mutation study, a Chinese hamster ovary (CHO) metaphase analysis study, and a sister chromatid exchange study, negative for mutagenic effects; and a DNA damage/repair study which was positive for DNA damage at the highest and lowest levels tested, 1,670 and 20.6 micrograms/disc, respectively.

Data currently lacking is an appropriate animal metabolism study, due to be submitted by the end of 1989.

The reference dose (ADI), based on the NOEL of 4.2 mg/kg/day from a 1-year dog feeding study and an uncertainty factor of 100, is calculated to be 0.04 mg/kg body weight/day. Using anticipated residue data (mainly average field trial data) and percent crop treated data, dietary exposure from published tolerances is estimated at 0.012622 mg/kg body weight/day (31.5 percent of the ADI) for the overall U.S. population. Exposure for the subgroup nonnursing infants is estimated to be 108.5 percent of the ADI, from existing uses. However, the proposed tolerance for Chinese mustard does not change the total exposure, and a commodity contribution analysis shows that published tolerances for milk, cereal grains, and stone fruits contribute the bulk of the exposure (about 86 percent of the ADI) for this population subgroup. The contribution to exposure resulting from this proposed tolerance is expected to be insignificant.

The nature of the residue is adequately understood, and an adequate analytical method, gas liquid chromatography using an electron capture detector, is available in Volume II of the Pesticide Analytical Manual (PAM) for enforcement purposes. No secondary residues in meat, milk, poultry, or eggs are expected since Chinese mustard is not a livestock feed commodity. There are currently no actions pending against the continued registration of this chemical.

The pesticide is considered useful for the purpose for which the tolerance is sought. Based on the above information considered by the Agency, the tolerance established by amending 40 CFR 180.399 would protect the public health. Therefore, it is proposed that the tolerance be established as set forth below.

Any person who has registered or submitted an application for registration of a pesticide, under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) as amended, which contains any of the ingredients listed herein, may request within 30 days after publication of this document in the Federal Register that this rulemaking proposal be referred to an Advisory Committee in accordance with section 408(e) of the Federal Food, Drug, and Cosmetic Act.

Interested persons are invited to submit written comments on the proposed regulation. Comments must bear a notation indicating the document control number, [PP 9E3790/P508]. All

written comments filed in response to this petition will be available in the Public Information Branch, at the address given above from 8 a.m. to 4 p.m., Monday through Friday, except legal holidays.

The Office of Management and Budget has exempted this rule from the requirements of section 3 of Executive Order 12291.

Pursuant to the requirements of the Regulatory Flexibility Act (Pub. L. 96-354, 94 Stat. 1164, 5 U.S.C. 601-612), the Administrator has determined that regulations establishing new tolerances or raising tolerance levels or establishing exemptions from tolerance requirements do not have a significant economic impact on a substantial number of small entities. A certification statement to this effect was published in the **Federal Register** of May 4, 1981 (46 FR 24950).

List of Subjects in 40 CFR Part 180

Administrative practice and procedure, Agricultural commodities, Pesticides and pests, Reporting and recordkeeping requirements.

Dated: April 12, 1990.

Anne E. Lindsay,

Director, Registration Division, Office of Pesticide Programs.

Therefore, it is proposed that 40 CFR part 180 be amended as follows:

PART 180—[AMENDED]

1. The authority citation for part 180 continues to read as follows:

Authority: 21 U.S.C. 346a and 371.

2. In § 180.399, by adding new paragraph (c), to read as follows:

§ 180.399 Iprodione; tolerances for residues.

* * * * *

(c) Tolerances with regional registration, as defined in § 180.1(n), are established for the combined residues of of the fungicide iprodione [3-(3,5-dichlorophenyl)-N-(1-methylethyl)-2,4-dioxo-1-imidazolidinecarboxamide], its isomer [3-(1-methylethyl)-N-(3,5-dichlorophenyl)-2,4-dioxo-1-imidazolidinecarboxamide], and its metabolite [3-(3,5-dichlorophenyl)-2,4-dioxo-1-imidazolidinecarboxamide] in or on the following raw agricultural commodity:

Commodity	Parts per million
Chinese mustard	15.0

[FR Doc. 90-10548 Filed 5-8-90; 8:45 am]

BILLING CODE 6560-50-D

40 CFR Part 180

[OPP-300210; FRL-3689-3]

Oryzalin; Proposed Revocation of Tolerances

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: This document proposes the revocation of tolerances listed in 40 CFR 180.304 for residues of the herbicide oryzalin (3,5-dinitro-N^4,N^4-dipropylsulfanilamide) in or on the raw agricultural commodities peppermint hay, spearmint hay, and sweet potatoes. EPA is initiating this action because all uses of oryzalin on these food commodities have been voluntarily cancelled by the registrant.

DATES: Written comments, identified by the document control number [OPP-300210], must be received on or before July 9, 1990.

ADDRESSES: By mail, submit comments to: Public Docket and Freedom of Information Section, Field Operations Division (H7506C), Office of Pesticide Programs, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. In person, bring comments to: Rm. 246, CM #2, 1921 Jefferson Davis Highway, Arlington, VA 22202.

Information submitted as a comment concerning this document may be claimed confidential by marking any part or all of that information as "Confidential Business Information" (CBI). Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2. A copy of the comment that does not contain CBI must be submitted for inclusion in the public record. Information not marked confidential may be disclosed publicly by EPA without prior notice. All written comments will be available for public inspection in Rm. 246 at the address given above, from 8 a.m. to 4 p.m., Monday through Friday, excluding legal holidays.

FOR FURTHER INFORMATION CONTACT: By mail: Patricia Critchlow, Registration Division (H7505C), Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. Office location and telephone number: Rm. 716, CM #2, 1921 Jefferson Davis Highway, Arlington, VA 22202, (703-557-1806).

SUPPLEMENTARY INFORMATION: In July 1984, the Elanco Products Co., the sole registrant of pesticide products containing the herbicide oryzalin, advised EPA that it wished to cancel voluntarily all registrations for use of oryzalin on peppermint, spearmint, and sweet potatoes. At the same time, Elanco requested that EPA revoke the tolerances in 40 CFR 180.304 for residues of oryzalin in or on the raw agricultural commodities peppermint hay, spearmint hay, and sweet potatoes and the food additive tolerances in 21 CFR 193.462 (subsequently, in the **Federal Register** of June 29, 1988 (53 FR 24667), transferred to Title 40 of the CFR and recodified as 40 CFR 185.4550) for residues of oryzalin in the processed food commodities peppermint oil and spearmint oil, resulting from application of the pesticide to growing peppermint and spearmint.

Oryzalin is no longer registered for use on peppermint, spearmint, or sweet potatoes, and the sole registrant has specifically requested that the related pesticide tolerances be revoked. Since a tolerance is generally not necessary for a pesticide chemical which is not registered for the particular food use, EPA now proposes to revoke the tolerances listed in 40 CFR 180.304 for residues of oryzalin in or on peppermint hay, spearmint hay, and sweet potatoes.

Since oryzalin is not a persistent chemical and since its registrations for use on peppermint, spearmint, and sweet potatoes were cancelled more than 5 years ago, there is no anticipation of a residue problem due to environmental contamination. Consequently, no action levels will be recommended to replace the tolerances upon their revocation.

Elsewhere in this issue of the **Federal Register**, EPA has issued a related document [OPP-300211], which proposes to revoke the food additive tolerances in 40 CFR 185.4550 for residues of oryzalin in peppermint oil and spearmint oil, resulting from application of the pesticide to growing peppermint and spearmint.

Any person who has registered or submitted an application for registration of a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, which contains oryzalin may request within 30 days after publication of this document in the **Federal Register** that this rulemaking proposal to revoke tolerances in or on peppermint hay, spearmint hay, and sweet potatoes listed in 40 CFR 180.304

be referred to an Advisory Committee in accordance with section 408(e) of the Federal Food, Drug, and Cosmetic Act.

Interested persons are invited to submit written comments on the proposed regulation. Comments must bear a notation indicating the document control number, [OPP-300210]. All written comments filed in response to this document will be available for public inspection in the Public Docket and Freedom of Information Section, at the address given above, from 8 a.m. to 4 p.m., Monday through Friday, except legal holidays.

In order to satisfy requirements for analysis as specified by Executive Order 12291 and the Regulatory Flexibility Act, the Agency has analyzed the costs and benefits of this proposal. This analysis is available for public inspection in Rm. 246, at the address given above.

Executive Order 12291

Under Executive Order 12291, the Agency must determine whether a proposed regulatory action is "major" and therefore subject to the requirements of a Regulatory Impact Analysis. The Agency has determined that this proposed rule is not a major regulatory action, i.e., it will not have an annual effect on the economy of at least $100 million, will not cause a major increase in prices, and will not have a significant adverse effect on competition or the ability of U.S. enterprises to compete with foreign enterprises.

This proposed rule has been reviewed by the Office of Management and Budget as required by E.O. 12291.

Regulatory Flexibility Act

This proposed rule has been reviewed under the Regulatory Flexibility Act of 1980 (Pub. L. 96-354; 94 Stat. 1164, 5 U.S.C. 601 et seq.), and it has been determined that it will not have a significant economic impact on a substantial number of small businesses, small governments, or small organizations.

This regulatory action is intended to prevent the sale of food commodities containing pesticide residues where the subject pesticide has been used in an unregistered or illegal manner.

Since all registrations for use of oryzalin on peppermint, spearmint, and sweet potatoes were cancelled in July 1984, it is anticipated that little or no economic impact would occur at any level of business enterprises if these tolerances are revoked.

Accordingly, I certify that this regulatory action does not require a separate regulatory flexibility analysis under the Regulatory Flexibility Act.

List of Subjects in 40 CFR Part 180

Administrative practice and procedure, Agricultural commodities, Pesticides and pests, Reporting and recordkeeping requirements.

Dated: April 20, 1990.

Linda J. Fisher,
Assistant Administrator for Pesticides and Toxic Substances.

Therefore, it is proposed that 40 CFR part 180 be amended as follows:

PART 180–[AMENDED]

1. The authority citation for part 180 continues to read as follows:

Authority: 21 U.S.C. 346a and 371.

§ 180.304 [Amended]

2. Section 180.304 *Oryzalin; tolerances for residues* is amended by removing the entries "Peppermint hay," " Spearmint hay," and "Sweet potatoes."

[FR Doc. 90–10553 Filed 5–8–90; 8:45 am]
BILLING CODE 6560-50-D

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40 CFR Part 180

[OPP-300212; FRL-3689-5]

Isopropalin; Proposed Revocation of Tolerances

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: This document proposes the revocation of tolerances listed in 40 CFR 180.313 for residues of the herbicide isopropalin (2,6-dinitro-*N,N*-dipropylcumidine) in or on the raw agricultural commodities peppers and tomatoes. EPA is initiating this action because all uses of isopropalin on these food commodities have been cancelled.

DATES: Written comments, identified by the document control number [OPP-300212], must be received on or before July 9, 1990.

ADDRESSES: By mail, submit comments to: Public Docket and Freedom of Information Section, Field Operations Division (H7506C), Office of Pesticide Programs, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. In person, bring comments to: Rm. 246, CM #2, 1921 Jefferson Davis Highway, Arlington, VA 22202.

Information submitted as a comment concerning this document may be claimed confidential by marking any part or all of that information as "Confidential Business Information" (CBI). Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2. A copy of the comment that does not contain CBI must be submitted for inclusion in the public record. Information not marked confidential may be disclosed publicly by EPA without prior notice. All written comments will be available for public inspection in Rm. 246 at the address given above, from 8 a.m. to 4 p.m., Monday through Friday, excluding legal holidays.

FOR FURTHER INFORMATION CONTACT: By mail: Patricia Critchlow, Registration Division (H7505C), Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. Office location and telephone number: Rm. 716, CM #2, 1921 Jefferson Davis Highway, Arlington, VA 22202, (703-557-1806).

SUPPLEMENTARY INFORMATION: Isopropalin was initially registered for use on tomatoes and peppers in early 1972. Subsequently, before August 1981, the registrant amended the isopropalin registrations to remove these food uses from the label; no other food uses of isopropalin are registered.

Although the available residue data are adequate to support the tolerances for tomatoes and peppers, the toxicology data base for isopropalin is inadequate to support these food uses. Thus, there is little likelihood of the uses on tomatoes and peppers being registered again in the future.

Since a tolerance is generally not necessary for a pesticide chemical which is not registered for a particular food use, EPA now proposes to revoke the tolerances listed in 40 CFR 180.313 for residues of isopropalin in or on tomatoes and peppers.

Since isopropalin is not a persistent chemical and since its registrations for use on tomatoes and peppers were cancelled voluntarily by the registrant more than 8 years ago, there is no anticipation of a residue problem due to environmental contamination. Consequently, no action levels will be recommended to replace the tolerances upon their revocation.

Any person who has registered or submitted an application for registration of a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, which contains isopropalin may request within 30 days after publication of this document in the **Federal Register** that this rulemaking proposal to revoke tolerances in or on peppers and tomatoes listed in 40 CFR 180.313 be referred to an Advisory Committee in accordance with section 408(e) of the Federal Food, Drug, and Cosmetic Act.

Interested persons are invited to submit written comments on the proposed regulation. Comments must bear a notation indicating the document control number, [OPP-300212]. All written comments filed in response to this document will be available for public inspection in the Public Docket and Freedom of Information Section, at the address given above, from 8 a.m. to 4 p.m., Monday through Friday, except legal holidays.

In order to satisfy requirements for analysis as specified by Executive Order 12291 and the Regulatory Flexibility Act, the Agency has analyzed the costs and benefits of this proposal. This analysis is available for public inspection in Rm. 246, at the address given above.

Executive Order 12291

Under Executive Order 12291, the Agency must determine whether a proposed regulatory action is "major" and therefore subject to the requirements of a Regulatory Impact Analysis. The Agency has determined that this proposed rule is not a major regulatory action, i.e., it will not have an annual effect on the economy of at least $100 million, will not cause a major increase in prices, and will not have a significant adverse effect on competition or the ability of U.S. enterprises to compete with foreign enterprises.

This proposed rule has been reviewed by the Office of Management and Budget as required by E.O. 12291.

Regulatory Flexibility Act

This proposed rule has been reviewed under the Regulatory Flexibility Act of 1980 (Pub. L. 96-354; 94 Stat. 1164, 5 U.S.C. 601 et seq.) and it has been determined that it will not have a significant economic impact on a substantial number of small businesses, small governments, or small organizations.

This regulatory action is intended to prevent the sale of food commodities containing pesticide residues where the subject pesticide has been used in an unregistered or illegal manner.

Since all registrations for use of isopropalin on peppers and tomatoes were voluntarily cancelled by the registrant before August 1981, it is anticipated that little or no economic impact would occur at any level of business enterprises if these tolerances were revoked.

Accordingly, I certify that this regulatory action does not require a separate regulatory flexibility analysis under the Regulatory Flexibility Act.

List of Subjects in 40 CFR Part 180

Administrative practice and procedure, Agricultural commodities, Pesticides and pests, Reporting and recordkeeping requirements.

Dated: April 20, 1990.

Linda J. Fisher,

Assistant Administrator for Pesticides and Toxic Substances.

Therefore, it is proposed that 40 CFR part 180 be amended as follows:

PART 180—[AMENDED]

1. The authority citation for part 180 continues to read as follows:

Authority: 21 U.S.C. 346a and 371.

§ 180.313 [Removed]

2. By removing § 180.313 *Isopropalin.*

[FR Doc. 90-10554 Filed 5-8-90; 8:45 am]

BILLING CODE 6560-50-D

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40 CFR Part 185

[OPP-300211; FRL-3689-4]

Oryzalin; Proposed Revocation of Food Additive Regulation

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: This document proposes the revocation of the food additive regulation listed in 40 CFR 185.4550 for residues of the herbicide oryzalin (3,5-dinitro-N^4,N^4-dipropylsulfanilamide) in or on the processed food commodities peppermint oil and spearmint oil, resulting from carryover and concentration of residues in these processed foods when present therein as a result of application of the herbicide oryzalin to growing peppermint and spearmint. EPA is initiating this action because all uses of oryzalin on peppermint and spearmint have been voluntarily cancelled by the registrant and the related food additive tolerances are no longer necessary.

DATES: Written comments, identified by the document control number [OPP-300211], must be received on or before July 9, 1990.

ADDRESSES: By mail, submit comments to: Public Docket and Freedom of Information Section, Field Operations Division (H7506C), Office of Pesticide Programs, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. In person, bring comments to: Rm. 246, CM #2, 1921 Jefferson Davis Highway, Arlington, VA 22202.

Information submitted as a comment concerning this document may be claimed confidential by marking any part or all of that information as "Confidential Business Information" (CBI). Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2. A copy of the comment that does not contain CBI must be submitted for inclusion in the public record. Information not marked confidential may be disclosed publicly by EPA without prior notice. All written comments will be available for public inspection in Rm. 246 at the address given above, from 8 a.m. to 4 p.m., Monday through Friday, excluding legal holidays.

FOR FURTHER INFORMATION CONTACT: By mail: Patricia Critchlow, Registration Division (H7505C), Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. Office location and telephone number: Rm. 716, CM #2, 1921 Jefferson Davis Highway, Arlington, VA 22202, (703-557-1806).

SUPPLEMENTARY INFORMATION: Elsewhere in this issue of the Federal Register, EPA has issued a related document [OPP-300210] which proposes the revocation of tolerances for residues of the herbicide oryzalin in or on several raw agricultural commodities, including peppermint hay and spearmint hay.

The registrations for the use of oryzalin on the growing crops peppermint and spearmint were voluntarily cancelled in July 1984 by the sole registrant who, at the same time, requested that EPA revoke the related pesticide and food additive tolerances for the pesticide. Therefore, the food additive regulation for residues of oryzalin in peppermint oil and spearmint oil is no longer necessary. Since oryzalin is not a persistent chemical and since its registrations for use on peppermint and spearmint were cancelled more than 5 years ago, there is no anticipation of a residue problem due to environmental contamination. Consequently, no action levels will be recommended to replace the food additive tolerances upon their revocation.

Based on the information considered by the Agency and discussed herein and in the related Federal Register document [OPP-300210], EPA proposes to revoke the food additive tolerances listed in 40 CFR 185.4550 for residues of oryzalin in peppermint oil and spearmint oil, resulting from carryover and concentration of residues in these processed foods when present therein as a result of pesticide application to the growing crops peppermint and spearmint.

Interested persons are invited to submit written comments on the proposed regulation. Comments must bear a notation indicating the document control number, [OPP-300211]. All written comments filed in response to this document will be available for public inspection in the Public Docket and Freedom of Information Section, at the address given above, from 8 a.m. to 4 p.m., Monday through Friday, except legal holidays.

In order to satisfy requirements for analysis as specified by Executive Order 12291 and the Regulatory Flexibility Act, the Agency has analyzed the costs and benefits of this proposal. This analysis is available for public inspection in Rm. 246, at the address given above.

Executive Order 12291

Under Executive Order 12291, the Agency must determine whether a proposed regulatory action is "major" and therefore subject to the requirements of a Regulatory Impact Analysis. The Agency has determined that this proposed rule is not a major regulatory action, i.e., it will not have an annual effect on the economy of at least $100 million, will not cause a major increase in prices, and will not have a significant adverse effect on competition or the ability of U.S. enterprises to compete with foreign enterprises.

This proposed rule has been reviewed by the Office of Management and Budget as required by E.O. 12291.

Regulatory Flexibility Act

This proposed rule has been reviewed under the Regulatory Flexibility Act of 1980 (Pub. L. 96-354; 94 Stat. 1164, 5 U.S.C. 601 et seq.) and it has been determined that it will not have a significant economic impact on a substantial number of small businesses, small governments, or small organizations.

This regulatory action is intended to prevent the sale of food commodities containing pesticide residues where the subject pesticide has been used in an unregistered or illegal manner. Since all registrations for use of oryzalin on the growing crops peppermint and spearmint were cancelled more than 5 years ago, it is anticipated that little or no economic impact would occur at any level of business enterprises if these tolerances were revoked.

Accordingly, I certify that this regulatory action does not require a separate regulatory flexibility analysis under the Regulatory Flexibility Act.

List of Subjects in 40 CFR Part 185

Food additives, Pesticides and pests, Reporting and recordkeeping requirements.

Dated: April 20, 1990.

Linda J. Fisher,

Assistant Administrator for Pesticides and Toxic Substances.

Therefore, it is proposed that 40 CFR part 185 be amended as follows:

PART 185—[AMENDED]

1. The authority citation for part 185 continues to read as follows:

Authority: 21 U.S.C. 348.

§ 185.4550 [Removed]

2. Section 185.4550 *Oryzalin* is removed.

[FR Doc. 90-10555 Filed 5-8-90; 8:45 am]

BILLING CODE 6560-50-D

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[MM Docket No. 90-233; RM-7089]

Radio Broadcasting Services; Garberville, CA

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: This document requests comments on a petition filed by Eric R. Hilding, seeking the allotment of FM Channel 280C1 to Garberville, California, as that community's second local broadcast service. Coordinates for this proposal are 40-05-54 and 123-47-36.

DATES: Comments must be filed on or before June 22, 1990, and reply comments on or before July 9, 1990.

ADDRESSES: Federal Communications Commission, Washington, D.C. 20554. In addition to filing comments with the FCC, interested parties should serve the petitioner, as follows: Eric R. Hilding, P.O. Box 1700, Morgan Hill, CA 95038-1700.

FOR FURTHER INFORMATION CONTACT: Nancy Joyner, Mass Media Bureau, (202) 634-6530.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's Notice of Proposed Rule Making, MM Docket No. 90-233, adopted April 16, 1990, and released May 2, 1990. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street, NW., Washington DC. The complete text of this decision may also be purchased from the Commission's copy contractors, International Transcription Service, (202) 857-3800, 2100 M Street, NW., Suite 140, Washington, DC 20037..

Provisions of the Regulatory Flexibility Act of 1980 do not apply to this proceeding.

Members of the public should note that from the time a Notice of Proposed Rule Making is issued until the matter is no longer subject to Commission consideration or court review, all *ex parte* contacts are prohibited in Commission proceedings, such as this one, which involve channel allotments. See 47 CFR 1.1204(b) for rules governing permissible *ex parte* contact.

For information regarding proper filing procedures for comments, See 47 CFR 1.415 and 1.420.

List of Subjects in 47 CFR Part 73

Radio broadcasting.

Federal Communications Commission.

Kathleen B. Levitz,

Deputy Chief, Policy and Rules Division, Mass Media Bureau.

[FR Doc. 90-10699 Filed 5-8-90; 8:45 am]

BILLING CODE 6712-01-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 662

Northern Anchovy Fishery

AGENCY: National Marine Fisheries Service (NMFS), NOAA, Commerce.

ACTION: Notice of availability of an amendment to a fishery management plan and request for comments.

SUMMARY: NOAA announces that the Pacific Fishery Management Council has submitted proposals contained in Amendment 6 to the Northern Anchovy Fishery Management Plan for Secretarial review and requests comments from the public.

DATES: Written comments on the amendment should be submitted on or before June 29, 1990.

ADDRESSES: Copies of the amendment are available from the Pacific Fishery Management Council, 2000 SW. First Avenue (Metro Center), Suite 420, Portland, OR 97201.

Comments should be sent to Svein Fougner, Southwest Region, National Marine Fisheries Service, 300 South Ferry Street, Terminal Island, CA 90731.

Mark envelopes, "Comments on Amendment 6."

FOR FURTHER INFORMATION CONTACT: Svein Fougner, Chief, Fisheries Management and Analysis Branch, 213-514-6660.

SUPPLEMENTARY INFORMATION: The Magnuson Fishery Conservation and Management Act (Magnuson Act), as amended, requires that a Council prepared fishery management plan or amendment be submitted to the Secretary of Commerce (Secretary) for review and approval or disapproval. The Magnuson Act also requires that the Secretary, upon receipt, immediately publish a notice that the document is available for public review and comment. The Secretary will consider public comments in determining whether to approve the proposed action.

Amendment 6 proposes (1) to provide a reduction harvest for small harvesters under all resource conditions in the same way the current fishery management plan now provides for the non-reduction fishery and (2) to define overfishing in compliance with the 50 CFR part 602 National Standard Guidelines.

Dated: May 3, 1990.

Richard H. Schaefer,

Director of Office of Fisheries, Conservation and Management, National Marine Fisheries Service.

[FR Doc. 90-10703 Filed 5-3-90; 3:42 pm]

BILLING CODE 3510-22-M

Notices

Federal Register
Vol. 55, No. 90
Wednesday, May 9, 1990

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

[Docket No. 90-010]

Pseudorabies in Swine; Approved Testing Laboratories

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Notice.

SUMMARY: In accordance with the regulations governing the interstate movement of swine because of pseudorabies, as amended by a final rule published in the Rules Section of this same issue of the **Federal Register**, approved differential pseudorabies tests may be conducted only in laboratories approved by the Administrator. This notice lists the laboratories that have been approved to conduct the HerdChek® anti-pseudorabies virus glycoprotein X enzyme-linked immunosorbent assay test.

FOR FURTHER INFORMATION CONTACT: Dr. William Stewart, Chief Staff Veterinarian, Swine Diseases Staff, VS, APHIS, USDA, room 736, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782, 301-436-7767.

SUPPLEMENTARY INFORMATION: The regulations governing the interstate movement of swine because of pseudorabies (9 CFR part 85), as revised by a final rule published in the Rules Section in this same issue of the **Federal Register** (Docket No. 89-211), include provisions for using approved differential pseudorabies tests for determining the disease status of herds of swine. The revised regulations state that approved differential pseudorabies tests may be conducted only in a laboratory approved by the Administrator. The revised regulations further state that laboratories approved to conduct these tests will be listed in a notice published in the **Federal Register**.

Accordingly, this document provides notice of the laboratories approved by the Administrator to conduct the HerdChek® anti-pseudorabies virus glycoprotein X enzyme-linked immunosorbent assay test.

Laboratories approved to conduct the HerdCheck® anti-pseudorabies virus glycoprotein X enzyme-linked immunosorbent assay test.

Alabama

Alabama Veterinary Diagnostic Laboratory, Auburn, AL

California

University of California Veterinary Diagnostic System, Davis, CA
University of California Veterinary Diagnostic System, San Bernadino, CA
University of California Veterinary Diagnostic System, Fresno, CA

Hawaii

Veterinary Laboratory, Department of Agriculture, Aiea, HI

Iowa

Iowa State University Veterinary Diagnostic Laboratory, Ames, Iowa

Illinois

Animal Disease Laboratory, Illinois Department of Agriculture, Centralia, IL
Animal Disease Laboratory, Illinois Department of Agriculture, Galesburg, IL

Indiana

Purdue Animal Disease Laboratory, West Lafayette, IN

Minnesota

College of Veterinary Medicine, University of Minnesota, St. Paul, MN

Mississippi

Mississippi Veterinary Diagnostic Laboratory, Jackson, MS

Missouri

Veterinary Laboratory, Missouri Program Services, Jefferson City, MO
Veterinary Medical Diagnostic Laboratory, Columbia, MO

Nebraska

Department of Veterinary Science, University of Nebraska, Lincoln, NE

North Carolina

Rollins Animal Disease Diagnostic Laboratory, Raleigh, NC

Ohio

Animal Disease Diagnostic Laboratory, Reynoldsburg, OH

South Dakota

Veterinary Science Department, South Dakota State University, Brookings, SD

Texas

Texas A&M Veterinary Diagnostic Laboratory, Amarillo, TX

Washington

College of Veterinary Medicine, Washington State University, Pullman, WA

Wisconsin

Central Animal Health Laboratory, Madison, WI

Done in Washington, DC., this 3rd day of May 1990.

James W. Glosser,
Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 90-10812 Filed 5-8-90; 8:45 am]

BILLING CODE 3410-34-M

Soil Conservation Service

Spring Creek Watershed, Florida

AGENCY: Soil Conservation Service, USDA.

ACTION: Notice of a finding of no significant impact.

SUMMARY: Pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969; the Council on Environmental Quality Guidelines (40 CFR part 1500); and the Soil Conservation Service Guidelines (7 CFR part 650; the Soil Conservation Service, U.S. Department of Agriculture, gives notice that an environmental impact statement is not being prepared for the Spring Creek Watershed, Jackson County, Florida.

FOR FURTHER INFORMATION CONTACT: T. Niles Glasgow, State Conservationist, Soil Conservation Service, 401 SE. First Avenue, Room 248, Gainesville, Florida, 32601, telephone 904-377-0946.

SUPPLEMENTARY INFORMATION: The environmental assessment of this federally assisted action indicates that the project will not cause significant local, regional, or national impacts on the environment. As a result of these findings, T. Niles Glasgow, State Conservationist, has determined that the preparation and review of an environmental impact statement are not needed for this project.

The project concerns a plan for watershed protection. The planned works of improvement include accelerated technical assistance and federal cost sharing for the installation of land treatment measures.

The Notice of a Finding of No Significant Impact (FONSI) has been forwarded to the Environmental Protection Agency and to various Federal, State, and local agencies and interested parties. A limited number of copies of the FONSI are available to fill signle copy requests at the above address. Basic data developed during the environmental assessment are on file and may be reviewed by contacting T. Niles Glasgow.

No administrative action on implmentation of the proposal will be taken until 30 days after the date of this publication in the Federal Register.

"This activity is listed in the Catelog of Federal Domestic Assistance under No. 10.904—Watershed Protection and Flood Prevention—and is subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials.)"

T. Niles Glasgow,

State Conservationist.

[FR Doc. 90-10757 Filed 5-8-90; 8:45 am]

BILLING CODE 3410-16-M

DEPARTMENT OF COMMERCE

International Trade Administration

[A-301-602]

Certain Fresh Cut Flowers from Colombia Initiation of Antidumping Administrative Review

AGENCY: International Trade Administration/Import Administration, Department of Commerce.

ACTION: Notice of initiation of antidumping administrative review.

SUMMARY: The Department of Commerce has received requests to conduct an administrative review of the antidumping duty order on fresh cut flowers from Colombia. In accordance with the Commerce Regulations, we are initiating this administrative review for the period March 1, 1989 through February 28, 1990.

EFFECTIVE DATE: May 9, 1990.

FOR FURTHER INFORMATION CONTACT: Richard W. Moreland, Office of Antidumping Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone (202) 377-2104.

SUPPLEMENTARY INFORMATION:

Background

The Department of Commerce ("the Department") has received timely requests, in accordance with §§ 353.22(a)(1), (a)(2), (a)(3), of the Department's regulations, for an administrative review of the antidumping duty order on fresh cut flowers from Colombia.

Initiation of Reviews

In accordance with §§ 353.22(c) of the Department's regulations, we are initiating an administrative review on fresh cut flowers from Colombia. We intend to issue the final results of this review no later than March 31, 1991.

For fresh cut flowers from Colombia, we received the following requests:

Abaco Tulipanes de Colombia
Abaco
Achalay
Agricola Arenales Ltda.
Agricola Arenales
Agricola Benilda Ltda.
Agricola Bojaca Ltda.
Agricola Bonanza Ltda.
Agricola Bonanza
Agricola De Los Aliso Ltda.
Agricola de los Alisos
Agricola de Occidente
Agricola del Monte
Agricola El Cactus S.A.
Agricola el Cactus
Agricola El Mortino Ltda.
Agricola El Redil Ltda.
Agricola el Redil
Agricola Fontana Ltda.
Agricola Guali S.A.
Arboles Azules
Astro Ltda.
Astro
Aurora
Austroflor
Becerra Castellanos y Cia.
Bellavista
Bochica
Bogota Flowers
Cabanuela
Calipso
Canelon
Ciba Geigy
Cienfuegos Ltda.
Claveles Colombianos Ltda.
Claveles De Los Alpes Ltda.
Clavelez
Coexflor
Colflores
Colibri Flowers Ltda.
Agricola Jicabal
Agricola Jicaral
Agricola Las Cuadras
Agricola Los Arboles Ltda.
Agricola los Arboles
Agricola Los Gaques Ltda.
Agricola Malqui
Agricola Papagayo Ltda.
Agricola Papagayo
Agricola-fontana
Agriflora
Agri-Fontana
Agro de Narino
Agrodex Ltda.
Agrodex/Paso Ancho
Agrodex/Ukrania
Agroindustrias De Narino, Ltda.
Agrokoralia
Agromonte Ltda.
Agropecuria Cuernavaca Ltda.
Agrosuba Ltda.
Agrotabio kent
Aguacarga
Alcala
Almer
Alstroflores
Ancas Ltda.
A.Q.
Arawac S.A.
Arboles Azules Ltda.
Exoticas
Exotico
Expoflora Ltda.
Expoflora
Exportaciones bochica S.A.
Exportaciones Bochica
F. Salazar
Fantasia Flowers Ltda.
Flamingo flowers
Fldia. Herrera Camacho & Cia.
Flor y Color
Flora Bellisima Ltda.
Flora Intercontinental Ltda.
Flora Intercontinental
Floral Ltda.
Floralex Ltda.
Floramerica S.A.
Floramerica
Florandia Herrara Camacho & Cia.
Colombian Carnation
Colony Int'l Farm
Color Explosion
Conflores Ltda.
Cota
Crop S.A.
Crop
Cultivo el Lago
Cultivos Buena Vista
Cultivos Buenavista Ltda.
Cultivos Del Caribe Ltda.
Cultivos del Caribe
Cultivos el Lago
Cultivos Medellin Ltda.
Cultivos Medellin
Cultivos Miramonte S.A.
Agroindustria Del Fiofrio Ltda.
Cultivos Miramonte
Cultivos Tahami Ltda.
D' La Pava
Daflor, Ltd.
De La Pava Guevara E Hijos Ltda.
Del Monte
Del Tropico Ltda.
De. Tropico
Dianticola Colombiana Ltda.
El Dorado
El Rosal
El Tambo
El Timbul Ltda.
Espirit
Euroflora
Flores de Hacaritama
Flores de Hunza Ltda.
Flores de Hunza
Flores de Iztari
Flores De La Comuna Ltda.
Flores de la Conejera
Flores de la Montana
Flores de la Parcelita
Flores De La Pradera Ltda.
Flores de la Pradera
Flores De La Sabana S.A.
Flores de la Sabana
Flores de la Vega
Flores Des Las Mercedes Ltda.
Flores de las Mercedes

Flores De Los Amigos Ltda.
Flores de los Amigos
Flores De Los Andes Ltda.
Flores de los Andes
Floreales Ltda.
Florenal Ltda.
Florenal
Flores Acuarela S.A.
Flores Agromonte
Flores Aguaclara Ltda.
Flores Aguila
Flores Alborada S.A.
Flores Alborada
Flores Alcala Ltda.
Flores Alfaya Ltda.
Flores Alisos
Flores Altamira S.A.
Flores Andinas Ltda.
Flores Arco Iris
Flores Aurora Ltda.
Flores Aurora
Flores Cajibio
Flores Calichana
Flores Chia
Flores Cigarral Ltda.
Flores Colombianas Ltda.
Flores Colombianas
Flores Colon Ltda.
Flores Colon
Flores Condor De Colombia Ltda.
Flores Condor
Flores Corola
Flores De Exportacion S.A.
Flores De Funza S.A.
Flores de Funza
Flores De Hacaritama Ltda.
Flores Depina
Flores Dos Hectareas Ltda.
Flores El Gallinero
Flores El Lobo Ltda.
Flores petaluma Ltda.
Flores Ramo Ltda.
Flores S.A.
Flores Saint Valentine
Flores San Carlos
Flores el Trentino
Flores El Zorro Ltda.
Flores el Zorro
Flores Esmeralda Ltda.
Flores Estrella Ltda.
Flores F. Cortijo
Flores Flamingo Ltda.
Flores Funza
Flores Galia Ltda.
Flores Galia
Flores Generales Ltda.
Flores Generales
Flores De Los Arrayanes Ltda.
Flores de Montana
Flores de Nemecon/Corinto
Flores de Pueblo Viejo
Flores de Santa Fe
Flores de Santa Rosa
Flores de Savanilla
Flores De Serrezuela S.A.
Flores De Suba Ltda.
Flores de Suba
Flores De suesca S.A.
Flores de Suesca
Flores De Tenjo Ltda.
Flores de Tenjo, Ltda.
Flores Del Bosque S.A.
Flores del Bosque
Flores Del Campo Ltda.
Flores Del Cauca S.A.
Flores Del Cielo Ltda.
Flores Del Cortijo
Flores del Cauca
Flores Del Gallinero Ltda.
Flores Del Lago Ltda.
Flores del Lago
Flores Del Monte Ltda.
Flores Del Potrero Ltda.
Flores Del Rio S.A.
Flores del Rio
Flores del Tropico Ltda.
Flores Del Tropico
Flores Depina Ltda.
Flores Montecarlo
Flores Monteverde
Flores Palimana
Flores Palimanaf
Flores el Potrero Ltda.
Flores El Puente Ltda.
Flores el Puente
Flores El Rosal Ltda.
Flores El Trentino Ltda.
Flores Santa Fe Ltda.
Flores Santa Fe
Flores Santa Lucia
Flores Santa Rosa Ltda.
Flores Santa Rosa
Flores Santana
Flores Sausalito
Flores Sindamanoi
Flores Suesca
Flores Tairona Ltda.
Flores Tejas Verdes Ltda.
Flores Tenerife, Ltda.
Flores Gicro Ltda.
Flores Guaicata Ltda.
Flores Hana Ichi De Colombia Ltda.
Flores Horizonte Ltda.
Flores Intercontinental
Flores Intercontinentales
Flores Juanambu Ltda.
Flores Juncalito Ltda.
Flores Juncalito
Flores la Cabanuela
Flores La Conchita German-Ribon y Cia.
Flores la Conchita
Flores La Conejera Ltda.
Flores La Estancia Ltda.
Flores La Franganicia S.A.
Flores la Frangancia
Flores la Lucerna
Flores La Macarena
Flores La Maria Ltda.
Flores la Maria
Flores la Pampa
Flores La Union
Flores la Union/Esmeralda
Flores la Union/Santana
Flores Las Caicas
Flores Las Palmas Ltda.
Flores las Palmas
Flores Monserate/Rosaas
Flores Monserrate
Gypso Flowers
Hacienda Curubital Ltda.
Hcienda Matute
Hana Ichi
Happy Candy/Fores Tropicales
Hernando Monroy
Horizonte
Horticultura De La Sabana S.A.
Horticultura de la Sabana
Horticultura de la Sasan
Hosa
illusion Flowers
Impar
Induagricola
Industria Santa Clara
Industrial Agricola Ltda.
Industrial Agricola Ltd.
Ingro Ltda.
Ingro
Innovacion Andina S.A.
Interflora
Interflores
Flores Tenerife/Statice
Flores Tiba
Flores Tibati Ltda.
Flores Tibati
Flores Timana Ltda.
Flores Timana
Flores tocarinda
Flores Tokai Hisa
Flores Tomine Ltda.
Flores Tomine
Flores Tropicales Ltda.
Flores Tropicales
Flores Tuchany
Flores Urimaco Ltda.
Flores Urimaco
Floresa
Florex S.A.
Florexpo
Rioicola La Gaitana S.A.
Floricola
Florisol
Florlinda Ltda.
Florlinda
Florpacifico
Floy-Y-Color
Flowers of the World/Rosa
Four Farmers
German Ocampo
Groex S.A.
Jardines Bacata
Jardines Choconta
Jardines Darpu
Jardines De Chia Ltda.
Jardines De Colombia Ltda.
Jardines de Colombia
Jardines De Los Andes s.a.
Jardines de Timana
Jardines Del Muna
Jardines del Muna
Jardines Frandonia
Jardines Natalia Ltda.
Jardines Natalia/Maria Alejandra
Jardines Natalia
Jardines Tocarema
Jardin
Karla Flowers
Kingdom S.A.
La Conchita
La Colina
La Comuna
La Embairada
Inverflores Ltda.
Inverflores
Invernavas
Inverpalmas Ltda.
Inversiones Almer Ltda.
Inversiones Almer
Inversiones Bambu
Inversiones Calypso S.A.
Inversiones Calypso
Inversiones Cubivan
Inversiones El Bambu Ltda.
Inversiones Istra Ltda.
Inversiones Maya, Ltda.
Inversiones Miraflores S.A.
Inversiones Nativa Ltda.
Inversiones Oro Verde S.A.

Inversiones Penas Blancas Ltda.
Inversiones Playa
Inversiones Santa Rita Ltda.
Inversiones Santa Rita
Inversiones Santa Rosa Arw Ltda.
Inversiones Santa Rosa
Inversiones Silma
inversiones Targa Ltda.
inversiones Targa S.A.
Iturrama S.A.
Jaramillo & Daza Ltda.
Jardin de Carolina
Jardiones Bacata Ltda.
Mountgar
Nasino
Natalia
Olga Rincon
Oroverde
Otono
Papagayo
Penas Blancas
Petalos De Colombia Ltda.
Petalos De Colombia
Pinar Guameru
Piracania
Plantaciones Delta Ltda.
Plantaciones Delta
Plantas Ornamentales De Colombia Ltda.
Planata S.A.
Plazoleta
Pocol/Plantas Ornamentales
Pompones Ltda.
Prismaflor
Propagar Plantas S.A.
Reme Salamanca
Rosa Bella
La Floresta
La Florida
La Macerena
La Maria
La Plazoleta Ltda.
La Plazoleta
La Plazuleta
Las Amalias S.A.
Las Amalias
La Flores Ltda.
Laura Flowers
L.H.
Linda Colombiana
Loma Linda
Loreana Flowers
Los Arboles
Los Gaques
Los Geranios Ltda.
Los Gernios
M. Alejandra
Mansui Ltd.
Merastec
M.G. Consultores Ltda.
Miraflores
Monserrate
Monte Verde
Monteverde Ltda.
Morandua
Morcoto
Santa Rosa
Santana Flowers
Santana
Sarena
Select Pro
Serrezuela
Shasta Flowers
Shasta
Shila
Siempre Viva
Solor Flores Ltda.
Southern Rainbow
Splendid Flowers Ltda.
Starlight
Sun Flowers Ltda.
Sunset Farms Ltda.
Susca
Tag Ltda. Siata
Tambo
Tempest Flowers
Tenjo
The Beall Company
The Rose
Rosaflor Ltda.
Rosales De Colombia Ltda.
Rosales de Suba Ltda.
Rosas Colombianas Ltda.
Rosas Colombianas
Rosas De Colombia Ltda.
Rosas de Colombia
Rosas Sabanilla Ltda.
Rosas Sabanilla
Rosas Tesalia Ltda.
Rosas Tesalia
Rosas y Flores
Rosas y Flores Ltda.
Rosas y Jardines
Roselandia S.A.
Rose
Rosex Ltda.
Rosicler Ltda.
Sabana Flowers
Sachue
San Carlos
San Ernesto
San Valentine
Sansa Flowers Ltda.
Sansa Flowers
Sante Fe
Santa Helena S.A.
Productos el Cartucho
Florval S.A.
Floricola La Ramada Ltda.
Agricola la Corsaria Ltda.
Dega Flores
Tocarinda
Tomino
Toto Flowers
Tropical Garden
Tropiflor
Tuchany S.A.
Unifor Ltda.
Unifor
Universal Flowers
Velez De Monchaux e Hijos S. en C.
Velez de Monchaux e Hijor/Suasuque
Villa Diana
Whitefield Corp.
Classic
De La Pava
Dianticola
Las Caicas
La Gaitana
Las Flores
Mercedes
Morcote
Sabanilla
Santa Helena
Flores Tenerife
Iturrama
Flores Cabanuela
Sunset Farms
Flores Sagaro Ltda.
Agricola Guacatay S.A.
Horticultura de la Saeana S.A.
Camino Real
Agricola El Retire, Ltda.

Interested parties must submit applications for administrative protective orders in accordance with §§ 353.34(b) of the Department's regulations.

These initiations and this notice are in accordance with section 751(a) of the Tariff Act of 1930 (19 U.S.C. 1675(a)) and 19 CFR 353.22(c) (1989).

Dated: April 30, 1990.

Joseph A. Spetrini,

Deputy Assistant Secretary for Compliance.

[FR Doc. 90-10705 Filed 5-8-90; 8:45 am]

BILLING CODE 3510-DS-M

[A-582-802]

Amendment to Preliminary Determination of Sales at Less Than Fair Value; Sweaters Wholly or in Chief Weight of Man-Made Fiber from Hong Kong

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

EFFECTIVE DATE: May 2, 1990.

SUMMARY: In its preliminary determination, published on April 27, 1990 (55 FR 17775), the U.S. Department of Commerce preliminarily determined that sweaters wholly or in chief weight of man-made fiber (MMF sweaters) from Hong Kong are being, or are likely to be, sold in the United States at less than fair value. Within hours of the disclosure conference with counsel to Prosperity Clothing Co., Ltd./Estero Enterprises Limited (Prosperity) on April 26, 1990, counsel to respondent filed a submission alleging the Department had made a serious ministerial error in the calculation of the foreign market value with respect to the adjustment for physical differences in merchandise.

The Department gave petitioner an opportunity to submit comments on Prosperity's allegation but received none. Based on Prosperity's comments and its own analysis, the Department found that a ministerial error had been made. This ministerial error significantly affected both the preliminary margin for Prosperity and the "All Other" rate.

It is not standard Departmental practice to amend preliminary determinations since these determinations only establish estimated margins, which are subject to verification and which almost always change in the final determination. However, given the specific facts of this investigation as noted above, the department hereby amends its preliminary determination to correct for

the ministerial error involved. This correction changes the estimated margin for both Prosperity and the All Other Rate as indicated below.

Therefore, in accordance with section 733(d)(2) of the Tariff Act of 1930, as amended, the Department will direct U.S. Customs officers to continue to require a cash deposit or posting of a bond on all entries of MMF sweaters from Hong Kong subject to the suspension of liquidation equal to the corrected estimated amounts by which the foreign market value of MMF sweaters exceeds the United States price as shown below. The margins are as follows:

Manufacturers/Producers/Exporters	Margin percentage
Comitex Knitters Ltd	1.89
Crystal Knitters Ltd	0.01 (*de minimis*)
Laws Fashion Knitters Ltd	0.02 (*de minimis*)
Prosperity Clothing Co., Ltd./Estero Enterprises Ltd.	2.80
All Others	2.25

This constitutes an amendment to the preliminary determination with respect to MMF sweaters from Hong Kong.

Dated: May 2, 1990

Lisa B. Barry,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-10705 Filed 5-8-90; 8:45 am]

BILLING CODE 3510-03-M

Certain Electrolytic Tin Plate; Notice of a Short-Supply Request for Reconsideration

AGENCY: Import Administration/International Trade Administration, Commerce.

ACTION: Notice of a Short-Supply Request for Reconsideration: Certain Electrolytic Tin Plate.

SHORT-SUPPLY REVIEW NUMBER: 14.

SUMMARY: The Secretary of Commerce ("Secretary") hereby grants a request for reconsideration of its short-supply decision with respect to certain electrolytic tin plate ("ETP") for July-September 1990 under the U.S.-E.C. and U.S.-Japan steel arrangements.

EFFECTIVE DATE: April 30, 1990.

FOR FURTHER INFORMATION CONTACT: Richard O. Weible, Office of Agreements Compliance, Import Administration, U.S. Department of Commerce, Room 7866, 14th Street and Constitution Avenue, NW., Washington, DC 20230 (202) 377-0159.

SUPPLEMENTARY INFORMATION: On March 22, 1990, the Secretary received an adequate short-supply petition from United States Can Company ("US Can") requesting a short-supply allowance for 5,250 net tons and 3,250 net tons of certain ETP during the third and fourth quarters 1990, respectively, under Article 8 of the Arrangement Between the European Coal and Steel Community and the European Economic Community, and the Government of the United States of America Concerning Trade in Certain Steel Products, and Paragraph 8 of the U.S.-Japan Arrangement Concerning Trade in Certain Steel Products. The Secretary conducted a short-supply review pursuant to Section 4(b)(4)(A) of the Steel Trade Liberalization Program Implementation Act, Pub. L. No. 101-221, 103 Stat. 1886 (1989) ("the Act"), and Section 357.102 of the Department of Commerce's Short-Supply Regulations, published in the **Federal Register** on January 12, 1990, 55 FR 1348 ("Commerce's Short-Supply Regulations").

Because potential domestic suppliers of ETP demonstrated a willingness and ability to offer and supply the requested material during both the third and fourth quarters of 1990, the Secretary determined on April 19, 1990, that short supply did not exist with respect to the requested ETP. Pursuant to section 4(b)(4)(A) of the Act, and § 357.102 of Commerce's Short-Supply Regulations, the Secretary denied US Can's request for a short-supply allowance of 8,500 net tons of ETP for the second half of 1990. A notice of the decision denying the request was published in the **Federal Register** on April 27, 1990.

On April 30, 1990, US Can filed a timely request for reconsideration under § 357.109 of Commerce's Short-Supply Regulations for 2,950 net tons of its third quarter needs, alleging that its supply situation for ETP from a supplier has changed and that the review did not properly address the commercial realities of the customer-supplier relationship with respect to inventory.

The Secretary hereby grants US Can's request for reconsideration and will review and affirm, modify, or reverse the original determination and publish such decision in the **Federal Register**.

Dated: May 4, 1990.

Joseph A. Spetrini,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 90-10931 Filed 5-8-90; 8:45 am]

BILLING CODE 3510-DS-M

Office of Trade Adjustment Assistance; Petitions by Producing Firms for Determination of Eligibility To Apply for Trade Adjustment Assistance

Petitions have been accepted for filing on the dates indicated from the following firms: (1) Quality House, Inc., 501 North Harlem, Sioux Falls, South Dakota 57104, produces fabricated wood refrigerator magnets (August 1, 1989); (2) Hegge Services, Inc., 4554 Caterpillar Road, Redding, California 96099, produces telephone (August 3, 1989); (3) St. Joe Lighting, Inc. 338 Webster, Batavia, Illinois 60510, producers ceiling pendants, wall brackets, chandeliers and strip lighting fixtures (August 4, 1989); (4) AGIO Precision Industries, Inc., 331 Waverly Avenue, Mamaroneck, New York 10543, producers of parts for medical instruments and photographic equipment (August 7, 1989); (5) Clay and Bailey Manufacturing Co., P.O. Box 8026, Kansas City, Missouri 64129, producers of man-hole covers, grates meter covers and curb inlets (August 7, 1989); (6) Coherent Communications Systems Corporation, 60 Commerce Drive, Hauppauge, New York 11788, producers of telecommunication products (August 8, 1989); (7) Coach & Car Equipment Company, 1951 Arthur Avenue, Elk Grove Village, Illinois 60007, producers of long-haul passenger rail seating (August 8, 1989); (8) Thompson Aluminum Casting Company, 4850 Chaincraft Road, Cleveland, Ohio 44125, producers of military air craft parts and other miscellaneous parts (August 8, 1989); (9) Barr Mold & Die, Inc., 1287 Hunt Road, Ashville, New York 14710, producers of plastic injection molds (August 9, 1989); (10) Polner Petersen Max, Inc., 290 Franklin Street, Buffalo, New York 14202, producers of jewelry (August 10, 1989); (11) Harris Industries Group 3757 South Ashland Avenue, Chicago, Illinois 60609, producers portable table, floor and ARC lamps (August 14, 1989); (12) Weldtec, Inc./Commerce Fund, Inc., 10840 Warner Avenue, suite 212, Fountain Valley, California 92708, producers of metal scaffolds (August 15, 1989); (13) Houston Fearless 76, Inc., 203 West Artesia Boulevard, Compton, California 90220, producers of photographic film processors and photographic chemical equipment (August 15, 1989); (14) Richard Arthur Enterprise, dba Great West Frames Company, Inc., 20 Burwood Lane, Santonio, Texas 78210, producers picture frames and mouldings of wood (August 16, 1989); (15) Timing Gears Corporation, 3755 Illinois Avenue, St. Charles, Illinois 60174, producers of

auto timing components (August 25, 1989); (16) Crown Worsted Mills, Inc., 467 Roosevelt Avenue, Central Falls, Rhode Island 02863, producer of yarn (August 25, 1989); (17) Fleet-Line, Inc., 10950 SW 5th Street #145, Beaverton, Oregon 97005, producer of container sealing equipment (August 28, 1989); (18) Genuine Sportswear, Inc., 168 7th Street, Brooklyn, New York 11215, producer of boys outerwear/jackets (August 31, 1989); (19) Northwest Hazelnut Company, Inc., 4110 Pacific Avenue, #2, Forest Grove, Oregon 97116, processors of hazelnuts (September 1, 1989); (20) Utah Sportwear, Inc., 250 West 500 South, Spanish Fork, Utah 84660, producer of men's & boys' swimming trunks, tops, tote bags and covers for game machines (September 5, 1989); (21) Sherwood Coats of Ohio, Inc., 45 North Arch Avenue, Alliance, Ohio 44601, producer of women's girls' and infants' coats (September 5, 1989); (22) Sherwood Coats of Ohio, Inc., 45 North Arch Avenue, Alliance, Ohio 44601, producer of women's, girls' and infants' coats (September 5, 1989); (23) R. F. Simmons Company, Inc., 225 O'Neil Boulevard, Attleboro, Massachusetts 02703, producer of precious metal and costume jewelry (September 6, 1989); (24) Polyflow, Inc., 100 Pratt Junction Road, Sterling, Massachusetts 01564, producer of plastic tumbling media (September 7, 1989); (25) Morgan Construction Company, 15 Belmont street, Worcester, Massachusetts 01605, producer of rolling mills (September 7, 1989); (26) C. Arnold & Son, Inc., P.O. Box 819, Cullman, Alabama 35056–0819, producer of window sashes (September 8, 1989); (27) RWR Industries, 90 Ingell Street, Taunton, Massachusetts 02780, producer of holloware—tea sets, serving trays, etc., of copper and brass, silver or gold plated (September 8, 1989); (28) Aion Manufacturing Company, 733 Walnut Street, Philadelphia, Pennsylvania 19107, producer of precious metal jewelry (September 8, 1989); (29) Super Systems, Inc., 1100 North Irwin, Green Bay, Wisconsin 54308, producer of bakery ovens (September 11, 1989); (30) Lync Systems, Inc., 14 Walker Way, Albany, New York 12205, producer of electronic key boards (September 12, 1989); (31) Howard Creations, 36–31 33rd Street, Long Island, New York 11106, producer of cummerbunds and ties (September 12, 1989); (32) Meredith, Morris & Miller, Inc., 1142 Tracy Lynn Drive, Abilene, Texas 79601, producer of cabinets of wood, shelving, tables, waterbeds and desks (September 13, 1989); (33) Plantation Lighting, Inc., 3075 Jonquil Drive, Smyrna, Georgia 30080, producer of lighting fixtures (September 15, 1989); (34) Benel Manufacturing, Inc., 3469 Black and Decker Road, Hope Mills, North Carolina 28348, producer of women's pants, skirts blouses and jackets (September 18, 1989); (35) Packaging Alternatives Corp., 1561 West MacArthur, Costa Mesa, California 92626, producer of plastic foam packaging (September 18, 1989); (36) Clay and Bailery Manufacturing Co., P.O. Box 8026, Kansas City, Missouri 64129, producer of man-hole rings, frames, covers, valve boxes, oil tank fittings and street grates (September 18, 1989); (37) Ludlow-Saylor, Inc., 1402 East Old Highway 40, Warrenton, Missouri 63383, producer of wire screens (September 21, 1989); (38) Illinois Carbon Products, Inc., 207 Berg Street, Algonquin, Illinois 60102, producer of typewriter correction tape (September 21, 1989); (39) Add Interior Systems, Inc., 6500 South Avalon Boulevard, Los Angeles, California 90003–1934, producer of institutional seating (September 27, 1989); (40) de Haart, Inc., 12 Wilmington Road, Burlington, Massachusetts 01803, producer of screen printers (September 27, 1989); (41) William S. Haynes Company, Inc., 12 Piedmont Street, Boston, Massachusetts 02116, producer of flutes and piccolos (September 27, 1989); (42) Liberty Playing Card Company, 1100 Harrison Street, Arlington, Texas 76011, producer of playing cards and other advertising cards (September 28, 1989); (43) Precision Castings of Missouri, Inc., P.O. Box 162, Jonesburg, Missouri 63351, producer of non-ferrous aluminum and copper precision investment casting parts, including pipes, rods, bars and plates for aircraft and aerospace equipment (October 2, 1989); (44) Louis M. Gerson Company, Inc., 15 Sproat Street, Middleboro, Massachusetts 02346, producer of surgical/dust masks, paint strainers, and paint paddles (October 2, 1989); (45) Mack & Anders Culvert, Inc., P.O. Box 648, Ferriday, Louisiana 71334 producer of septic tanks, metal and concrete culverts and cement mix (October 2, 1989); (46) Hofmann Industries, Inc., 3145 Shillington Road, Sinking Springs, Pennsylvania 19608, producer of brake drums, disc brakes, clutches, gear boxes, fabricated steel tubing, barbells, dumbbells and accessories (October 4, 1989); (47) American Jewelry Chain Company, 43 Railroad Street, Woonsocket, Rhode Island 02895, producers of precious metal jewelry chanis (October 5, 1989); (48) Archdale Manufacturing Company, Inc., P.O. Box 298, 315 Kettering Road, High Point, North Carolina 27263, producer of ladies' sleepwear (October 5, 1989); (49) T. K. Tool & Die, Inc., 2713 Kendall Road, Holley, New York 14470, producer of washers, hinges, brackets, etc. (October 5, 1989); (50) Madrid, Inc., 12522 Lakeland, Santa Fe Springs, California 90670, producer of skateboards (October 5, 1989); (51) Western Tanning, Inc., P.O. Box 411, Delta, Colorado 81416, processor of leather (October 5, 1989); (52) Dern Moore Machine Company, Inc., 151 South Niagara Street, Lockport, New York 14094, producer of brackets, shafts, bushings and dies (October 5, 1989); (53) Hans Screen Printing Studio, 1132 Auahi Street, Honolulu, Hawaii 96814, producer of women's slacks, tops, dresses and coverups (loungewear) (October 6, 1989); (54) Weldtec, Inc., 10840 Warner Avenue, Suite 212, Fountain Valley, California 92708, producer of props and similar equipment for scaffolding (October 6, 1989); (55) Bram Corporation, 26 North Route 9W, Congers New York 10920, producer of printed circuit boards (October 6, 1989); (56) Kleen-Rite, Inc., 444 Gustine, St. Louis, Missouri 63116, producer of parts for dry cleaning equipment (October 6, 1989); (57) Wyatt Knitting Company, Inc., P.O. Box 368, Sanford, North Carloina 27330, producer of women's sleepwear, girls' and boys' pants and boys' jogging shorts (October 6, 1989); (58) Friedrichs Custom Manufacturing, Inc., 10533 Alan Street, River Ridge, Louisiana 70123, producer of steel barricades, desks, tables, and shelving (October 6, 1989); (59) R & M Kaufmann, 1601 E. Mountain Street, Aurora, Illinois 60507, producer of ensembles for women (October 10, 1989); (60) Michael Anthony Jewelers, Inc., 70 South MacQuesten Parkway, Mt. Vernon, New York 10550, producer of jewelry—charms, pendants, rope chains, bracelets and rings (October 11, 1989); (61) Global Knitting Mills Corp. 70 Washington Street, Brooklyn, New York 11202, producer of men's and women's sweaters (October 11, 1989); (62) Western Magnetics, Inc., 1733 Flower Street, Glendale, California 91202, producer of magnetic recording heads (October 16, 1989); (63) Dail Machine and Tool Company, Inc., 3151 West Michigan Avenue, Jackson, Michigan 49202, producer of metal stamped auto body parts, and diesel parts (October 17, 1989); (64) Baumfolder Corporation, 1660 Campbell Road, Sidney, Ohio 45365–0728, producer of paper folding machines (October 8, 1989); (65) Triad Circuits, Inc., 703 North Sunset Drive, Round Lake, Illinois 60073, producer of printed circuit boards (October 23, 1989); (66) Columbian Cutlery Company, Inc., 444 Laurel Street,

producer of agricultural handtools, trimmers, knives, pruners, sheers, scythes, hooks, edgers, corn and tobacco knives (October 26, 1989); (67) Nylon Net Company, 615 East Bodley Street, Memphis, Tennessee 38101, producer of rope, twine and netting (October 31, 1989); (68) Rosslee By Excellor's Fashion, Inc., 3101 West Albany, Broken Arrow, Oklahoma 74012, producer of women's blouses, shirts, shorts, slacks, dresses and jumpers (November 1, 1989); (69) G. S. Dunbar & Company, Inc., 333 South 4th Street, Montebello, California 90640, producer of men's swim trunks and shorts and women's slacks, shirts and skirts (November 1, 1989); (70) Belcrest, Inc., 55 Webro Road, Clifton, New Jersey 07012, producer of decorated glass, ceramic and plastic ware (November 3, 1989); (71) J. E. Rhoads & Sons, Inc., 125 Ruthar Drive, Newark, Delaware 19711, producer of transmission and conveyor belts (November 3, 1989); (72) Kappa Networks, Inc., 1443 Pinewood Street, Rahway, New Jersey 07065, producer of transformers and filters, delay lines and testing equipment (November 3, 1989); (73) Finch Industries, Inc., 4511 W. Buffalo Avenue, P.O. Box 15557, Tampa, Florida 33684, producer of wood cabinetry (November 6, 1989); (74) Jobbers Supply of Florida, 629 N. 12th Street, Tampa, Florida 33601, producer of electronic auto parts (November 6, 1989); (75) Versa Tec Corporation, P.O. Box 2096, Tampa, Florida 33884, producer of wooden computer workstations (stands and desks) (November 6, 1989); (76) Automation Components, Inc., Short and Cemetary Streets, Peckville, Pennsylvania 18452, producer of ceramic capacitors (November 7, 1989); (77) Lifeline Industries, P.O. Box 330, 330 East Main Street, Swainsboro, Georgia 30401, producer of wood upholstered seating (November 7, 1989); (78) Stowe Canoe and Snowshoe Co., Inc., P.O. Box 207, Stowe, Vermont 05672, producer of snowshoes (November 8, 1989); (79) Standard Foundry Company, Inc., 25 Southgate Street, Worcester, Massachusetts 01610, producer of metal cast pump compressors, valves and other miscellaneous metal cast components (November 8, 1989); (80) Mellish & Murray Company, Inc., 1700 West Fulton Street, Chicago, Illinois 60612–2585, producer of solid state lamps and lighting fixtures (November 9, 1989); (81) Kealana Corporation, 979 Robello Lane, Honolulu, Hawaii 96819, producer of children's dresses (November 13, 1989); (82) Continental Optical Corporation, 15 Power Drive, Hauppauge, New York 11788, producer of optical components (November 13, 1989); (83) Jain Sax Industries, Inc., 890 Garrison Avenue, Bronx, New York 10474, producer of maternity wear (November 13, 1989); (84) Buccaneer Manufacturing Co., Inc., 35 York Street, Brooklyn, New York 11201–1336, producer of men's, boy's and women's athletic jackets (November 13, 1989; (85) Nifty Bar, Inc., 455 Whitney Road, Penfield, New York 14526, producer of parts for assembly line machinery (November 13, 1989); (86) Coastal Seafood Company, Inc., P.O. Box 628, Beauford, South Carolina 29902, processor of shrimp (November 15, 1989); (87) Mack & Anders Culverts, Inc., P.O. Box 648, Ferriday, Louisiana 71334, producer of septic tanks, culverts and ready-mix concrete (November 17, 1989); (88) Independent Food Corporation, P.O. Box EE, Twin Falls, Idaho 83303, processor of pork, beef and poultry (November 22, 1989); (89) Shade Pasta, Inc., 805 S. Union, Fremont, Nebraska 68025, producer of pasta (November 22, 1989; (90) Anatech, Ltd., 5510 Vine Street, Alexandria, Virginia 22310, producer of sputter coaters, ion mills and spare parts (November 22, 1989; (91) Wheeler Auto Parts, Inc., 4911 S. 24th Street, Omaha, Nebraska 68107, producer of starter motors and alternators/generators (November 24, 1989); (92) R. J. Randel Tool Company, 3932 West Diversey Avenue, Chicago, Illinois 60647, producer of dies, jigs, gages, tools and fixtures for auto and air craft (November 27, 1989); (93) Cumming Corporation, 9620 Topanga Canyon Place, Chatsworth, California 91311, producer of dust and static electricity control devices (November 27, 1989); (94) Vericom Corporation, 6000 Culligan Way, Minnetonka, Minnesota 55345, producer of auto performance computers (November 27, 1989); (95) Malcolm Clothing Corporation, 19 Wall Street, Passaic, New Jersey 07055, producer of women's coats and jackets (November 29, 1989); (96) Delkor Industries, Inc., 2920 Talmage Avenue, S.E., Minneapolis, Minnesota 55414, producer of packaging machines (December 1, 1989); (97) Circle Jewelry Products, Inc., 148 West 24th Street, New York, New York 10011, producer of costume jewelry (December 1, 1989); (98) Graphic Circuits Corporation, 818 Dows Road, SE Cedar Rapids, Iowa 52401, producer of printed circuit boards (December 5, 1989); (99) Techni-Chem, Inc., 6853 Indy Drive, Belvidere, Illinois 61008, producer of ion exchange machinery (December 6, 1989); (100) T.A. Caid & Sons, Inc., 2275 East Ganley, Tucson, Arizona 86726, producer of mining equipment (December 7, 1989); (101) D.B.A. Olympic Fastening Systems, Inc., 1145 Dolan Avenue, Downey, California 90241–4986, producer of rivets (December 7, 1989); (102) Diversified Case Company, Inc., Ellis Avenue, Whitesboro, New York 13492, producer of industrial carrying cases (December 7, 1989); (103) Judco Manufacturing, Inc., 1429 240th Street, Harbor City, California 90710, producer of electrical switches for automobiles, non-electric switches for appliances, computers and lighting harnesses (December 8, 1989); (104) American Road Equipment Company, 4201 North 26th Street, Omaha, Nebraska 68111, producer of stoves for heating (December 8, 1989); (105) Keltron Corporation, 225 Crescent Street, Waltham, Massachusetts 02154, producer of power supplies (December 8, 1989); (106) Square Head, Inc./dba Vemaline Products, 333 Strawberry Field Road, Warwick, Rhode Island 02887, producer of handles (December 8, 1989); (107) Seacraft Instruments, Inc., 56 Harvester Avenue, Batavia, New York 14020, producer of printed circuit boards and modular telephone jacks (December 11, 1989); (108) Lancaster Knives, Inc., 165 Court Street, P.O. Box 68, Lancaster, New York 14086–0268, producer of machine knife blades (December 11, 1989); (109) L & R Lighting Fixtures Mfg. Co., Inc., 6055 Woodlake Center, San Antonio Texas 78244, producer of lighting fixtures (December 11, 1989); (110) Alger Creations, Inc., 50 South 4th Street, Brooklyn, New York 11211, producer of inflatable promotional items (December 11, 1989); (111) Amera Cosmetics, Inc., 7601 West Clearwater, Room 402, Kennewick, Washington 99336, producer of manicure preparations (December 12, 1989); (112) Johansen Brothers Shoe Company, Inc., 710 N. Tucker, St. Louis, Missouri 63101, producer of leather footwear for women (December 12, 1989); (113) Chelsea Fans & Blowers, Inc., 150 W. North Street, Jackson, Michigan 49202, producer of centrifugal blowers, fans and axial blowers (December 18, 1989); (114) Suburban Plastics Company, 340 Renner Drive, Elgin, Illinois 60123, producer of plastic molded dishware (December 22, 1989); (115) Lumured Corporation, 292 Smith Street, Woodbridge, New Jersey 07095, producer of beaded handbags (December 22, 1989); (116) Columbian Cutlery Company, Inc., 444 Laurel Street, Reading, Pennsylvania 19602, producer of agricultural shears, pruners, weed cutters, knives, etc., (December 26, 1989); (117) Computer Components, Inc., 629 Fifth Avenue, Pelham, New York 10803, producer of coils and reed relays (January 4, 1990); (118) Oklahoma City Machine Works, Inc., 1637 West Main,

Oklahoma City, Oklahoma 73106, producer of folding and trimming machines for presses (January 4, 1989); (119) T & B Foundry Company, Inc., 2469 East 71st Street, Cleveland, Ohio 44101, producer of cast iron frames for printing presses (January 5, 1990); (120) Goes Lithographing Company, 42 West 61st Street, Chicago, Illinois 60621, producer of documents of title (January 8, 1990); (121) Continential X-Ray Corporation, 2000 South 25th Avenue, Broadview, Illinois 60153, producer of diagnostic x-ray tables (January 8, 1990); (122) Logetronics Corporation, 7001 Loisdale Road, Springfield, Virginia 22150, producer of film processors and printers (January 8, 1990); (123) Air Nail Company, 5335 Reisner Way, South Gate, California 90280, producer of staples, nails and pneumatic tools and parts (January 8, 1990); (124) All State Medal, Inc., 47 Ann Street, New York, New York 10038, producer of jewelry (January 9, 1990); (125) QMC Technologies, Inc., 4142 Broadway Avenue, Depew, New York 14043, producer of hydraulic cylinders (January 9, 1990); (126) DeWeese Woodworking Company, Inc., P.O. Box 576, Philadelphia, Mississippi 39350–0516, producer of wooden commode seats (January 10, 1990); (127) Murray Cider Company, Inc., Route 11, Box 406, Roanoke, Virginia 24019, processor of cider (January 23, 1990); (128) Casterline Fish Company, Inc., P.O. Box 249, Fulton, Texas 78358, processor of shrimp (January 26, 1990); (129) Jackson Seafood Company, Inc., P.O. Box 1088, Rockport, Texas 78382, processor of shrimps, scallops, crabs and fish (January 29, 1990); (130) Herndon Marine Products, Inc., 170 Huff St.-Conn Brown Harbor, Aransas Pass, Texas 78336, processor of shrimp (January 29, 1990); (131) Kneeland Skirt Company, 119 Braintree Street, Allston, Massachusetts 02134, producer of pleated skirts (January 30, 1990); (132) Kleen-Rite, Inc., 4444 Gustine, St. Louis, Missouri 63116, producer of parts for dry cleaning machines (January 30, 1990); (133) Arizona Production Machining, Inc., 2001 College Drive, Lake Havasu City, Arizona 68403, producer of housing for computer disc drive and drilling and tapping machines (February 1, 1990); (134) Rainmatic Corporation, 1227 South 22 Street, Omaha, Nebraska 68108, producer of agricultural water controllers and accessories for irrigation equipment (February 1, 1990); (135) Becktron, 635 E. Madison Avenue, Suite 3, Riverton, West Virginia 82501, producer of logic analyzer (electronic test equipment) (February 1, 1990); (136) Compax, Inc., 1210 Blue Gum Street, Anaheim, California 12806, producer of components for hard disk drive (February 2, 1990); (137) American Precision Metal Works, Inc., 2725 Gretta Lane, Anaheim, California 92806, producer of tremolas for guitars (February 5, 1990); (138) Its Hot of Hawaii, 1320 Kalani Street, #105–107, Honolulu, Hawaii 96817, producer of ladies' swimwear, dresses, skirts and tops (February 5, 1990); (139) Bearse Manufacturing Company, 3815 West Cortland Street, Chicago, Illinois 60647, producer of soft vinyl and nylon carrying bags (February 6, 1990); (140) Venetian Maid, Inc., 2714 Kennedy Boulevard, Union City, New Jersey 07087, producer of embroidery (February 6, 1990); (141) Imperial Manufacturing, 11 West Butler, Memphis, Tennessee 38101, producer of embroidery (February 6, 1990); (142) Betlin Manufacturing Company, Inc., 1455 Marion Road, Columbus, Ohio 43207, producer of men's and women's athletic pants (February 13, 1990); (143) S. R. Drost, Inc., 7740 East Gelding Drive, Scottsdale, Arizona 85260, producer of sofas, chairs, tables and credenzas (February 14, 1990); (144) Novi Die and Engineering Company, Inc., 1485 Temple City Drive, Troy, Michigan 48084, producer of metal stamping dies (February 14, 1990); (145) O'Hara Precision Components Corp., P.O. Box 960, Brisbane, California 94005, producer of computer parts, controls for heaters, hinges, automotive parts and fourslide machines (February 16, 1990); (146) Encore Screen Printing, Inc., 301 Oak Creek Drive, Lincoln, Nebraska 68528, producer of screen-printed t-shirts and sweatshirts (February 16, 1990); (147) CMX Corporation, 12700 Stephens, Warren, Michigan 48089, producer of stamped metal parts for auto frames, brackets, bumpers and truck steps (February 22, 1990); (148) Aurora Electric Company, Inc., 87–21 121st Street, Richmond Hills, New York 11418, producer of metal display cases and stamped chain saw parts, computer paper holders, printer parts, control boxes and locking tabs for diesel locomotives (February 23, 1990); (149) Jones Shake Mill & Logging Company, Star Route, Rockport, Washington 98283, producer of wood shakes and shingles (February 23, 1990); (150) Bennie Enterprises, Inc., 4110 E. LaPalma, Anaheim, California 92807, producer of silk flowers, plants and trees (February 26, 1990); (151) Anchor Rubber Mfg. Co., 1700 West Hubbard Street, Chicago, Illinois 60622, producer of soft rubber products for motor vehicles, household articles, electrical applications, farm implements and industrial machinery (February 26, 1990); (152) Cascade Woolen Mill, Inc., P.O. Box 151, Oakland, Maine, producer of fabric (March 1, 1990); (153) Clegg Shrimp Company, Inc., P.O. Box Drawer C, Port Lavaca, Texas 77979, processor of shrimp, fish and oysters (March 6, 1990); (154) Coming Attractions, Ltd., 7014 Wellington Road, Manassas, Virginia 22110, producer of men's cotton shirts, trousers, shorts, t-shirts and sweatshirts (March 6, 1990); (155) Union-National, Inc., 226 Crescent Street, Jamestown, New York 14702, producer of wood dining room, bedroom and living room furniture (March 6, 1990); (156) Ann Brite Fashions, 113 East 13th Street, Erie, Pennsylvania 16503, producer of children's formal dresses (March 7, 1998); (157) Imperial Plastics, Ltd., 2020 West 16th Street, Broadview, Illinois 60153, producer of lamp parts of plastics (March 8, 1990); (158) Harrington Shrimp Company, Inc., Star Route Box 140 Brownsville, Texas 78521, processor of shrimp (March 8, 1990); (159) DeSoto Hardwood Flooring Company, P.O. Box 40895, producer of hardwood flooring (March 8, 1990); (160) AccuDie, Inc., 836 Wurlitzer Drive, North Tonawanda, New York 14120, producer of metal dies (March 9, 1990); (161) H & W Screw Products, Inc., 24518 Encorse Road, Taylor, Michigan 48180, producer of fittings for auto and truck brake lines and power steering for hydraulic lines (March 12, 1990); (162) A & B Roofing Supply, Inc., 46925 SE. Middle Fork Road, North Bend, Washington 98045, producer of shakes and shingles (March 13, 1990); (163) Pentadyne Circuits, Inc., 5520 East LaPalma Avenue, Anaheim, California 92807, producer of printed circuit boards (March 16, 1990); (164) Midwest Machine and Manufacturing Company, Inc., 2040 Getty Street, Muskegon, Michigan 49444, producer of grinding and polishing machines and parts (March 14, 1990); (165) Ronlo Engineering, Ltd., 955 Flynn Road, Camarillo, California 93010, producer of spindles for computer hard disk drives (March 16, 1990); (166) James K. Anderson, Inc., 13760 Noel Road, #325, Dallas, Texas 75240, producer of oil and gas (March 19, 1990); (167) Garland Corporation, 33 Dover Street, Brockton, Massachusetts 02403, producer of sweaters (March 21, 1990); (168) Moline Corporation, W. Dean Street, Box 529, St. Charles, Illinois 60174, producer of ductile and malleable iron castings and power transmission equipment (March 21, 1990); (169) Seabrook Seafood, Inc., P.O. Box 776, Kemah, Texas 77565, producer of shrimp and oysters (March 27, 1990); (170) Headway Research, Inc., 3713 Forest Lane, Garland, Texas 75042–6928, producer of spinners, developers

and fluid dispenser machinery (March 30, 1990); (171) Beck & Beck, Inc., 41 Center Street, Barre, Vermont 05641, producer of (granite) memorials, landscape products and tables (April 2, 1990); (172) Richdale Limited, 25 O'Connor Road, Fairport, New York 14550, processor of meat (April 2, 1990); (173) Engineer's Tool & Manufacturing Co., Inc., 294 Benton Street, Stratford, Connecticut 06497, producer of zinc die castings, autoparts, furniture and office partitions, lighting and lamps and electrical parts (April 3, 1990); (174) Paul Krone Diecasting Co., 6605 West Fulberto Avenue, Chicago, Illinois 60635, producer of metal die cast parts for automative fuel injection parts and machined parts for motorcycles and other hardware and dies (April 3, 1990); (175) Tollycraft Yachts Corporation, 2200 Clinton Avenue, Kelso, Washington, 98626, producer of boats (April 4, 1990); (176) Gunnison Brothers, Inc., 9041 Tannery Road, Box 327, Girard, Pennsylvania 16417, producer of leather tanning, dyeing, finishing and cutting equipment (April 5, 1990); (177) Luxtec Corporation, Route 20, Technology Park, Sturbridge, Massachusetts 01566, producer of cables (April 5, 1990); (178) Robert Baxter Association, Inc., 200 Jefferson Boulevard, Warwick, Rhode Island 02888, producer of precious metal jewelry (April 5, 1990); (179) Rocky Mountain Gym Equipment Co., Inc., 5745 Monaco Street, Commerce City, Colorado 80022, producer of exercise equipment (April 6, 1990); (180) Troy Hygro-Systems, Inc., 4095 Highway ES, East Troy, Wisconsin 53120, producer of greenhouses and tomatoes (April 6, 1990); (181) Precision Grinding & Manufacturing Corporation, 1305 Emerson Street, Rochester, New York 14606, producer of metal products (April 9, 1990); (182) MCE Semiconductor, Inc., 1111 Fairfield Drive, West Palm Beach, Florida 33407, producer of bipolar mononlithic integrated circuits (April 9, 1990); (183) Precision Specialties Co., Inc., 301 N. Montgomery, Sherman, Texas 75090, producer of polyvinyl markings/flaggings (April 10, 1990); (184) Mirkovich, Inc., P.O. Box 168, Aransas Pass, Texas 78336, processor of swordfish, tuna and other fish (April 16, 1990); (185) L.F. Knitting Mills, Inc., 72–24 61st Street, New York 11385, producer of men, women and children's sweaters (April 16, 1990); (186) Broderick Company, Inc., 500 Lincoln Street, Muncie, Indiana 47305, producer of steel forgings for connecting rods for motor vehicle diesel engines and other misc. forged parts (April 16, 1990); (187) Midway Die & Engineering, Inc., 844 South Main Street, Wayland, Michigan 49348–0365, producer of stamped metal bracket parts for forklifts, fuel tanker trucks, metal office furniture, steel shelving for displays and other misc. steel parts (April 16, 1990); (189) SynChrom, Inc., P.O. Box 310, Lafayette, Indiana 47902, producer of supports and colums for protein purification (April 27, 1990).

The petitions were submitted pursuant to section 251 of the Trade Act of 1974 (Pub. L. 93–618), as amended. Consequently, the United States Department of Commerce has initiated separate investigations to determine whether increased imports into the United States of articles like or directly competitive with those produced by each firm contributed importantly to total or partial separation of the firm's workers, or threat thereof, and to a decrease in sales or production of each petitioning firm.

Any party having a substantial interest in the proceedings may request a public hearing on the matter. A request for a hearing must be received by Certification Division, Office of Trade Adjustment Assistance, room 4014A, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230, no later than the close of business of the tenth calendar day following the publication of this notice.

The Catalog of Federal Domestic Assistance official program number and title of the program under which these petitions are submitted in 11.309, Trade Adjustment Assistance. Inasfar as this notice involves petitions for the determination of eligibility under the Trade Act of 1974, the requirements of Office of Management and Budget Circular No. A–95 regarding review by clearinghouses do not apply.

Dated: May 1, 1990.

E.T. Baker,

Supervisory Eligibility Examiner, Certification Division, Office of Trade Adjustment Assistance.

[FR Doc. 90–10762 Filed 5–8–90; 8:45 am]

BILLING CODE 3510-DR-M

Applications for Duty-Free Entry of Scientific Instruments

Pursuant to section 6(c) of the Educational, Scientific and Cultural Materials Importation Act of 1966 (Pub. L. 89–651; 80 Stat. 897; 15 CFR part 301), we invite comments on the question of whether instruments of equivalent scientific value, for the purposes for which the instruments shown below are intended to be used, are being manufactured in the United States.

Comments must comply with subsections 301.5(a)(3) and (4) of the regulations and be filed within 20 days with the Statutory Import Programs Staff, U.S. Department of Commerce, Washington, DC 20230. Applications may be examined between 8:30 a.m. and 5 p.m. in room 2841, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC.

Docket number: 90–069. *Applicant:* Children's Hospital of Pittsburgh, 3705 5th Avenue at DeSoto Street, Pittsburgh, PA 15213–2583. *Instrument:* Cerebrograph Cortexplorer 16. *Manufacturer:* B. Simonson Medical, Denmark. *Intended use:* The instrument will be used to measure regional cerebral blood flow (rCBF) in a variety of clinical research projects. It is a very valuable tool to study brain circulation at the patient's bedside without interfering with patient care. In addition, the instrument will be used in teaching resident housestaff in neurology and other specialties cerebral hemodynamic changes during variable medical and surgical disorders affecting the brain. *Application received by Commissioner of Customs:* April 18, 1990.

Docket number: 90–070. *Applicant:* San Diego State University, 5300 Campanile Drive, San Diego, CA 92182–0749. *Instrument:* Dual Probe Evaporimeter. *Manufacturer:* Servo-Med, Sweden. *Intended use:* The instrument will be used for studies of sweat production in humans during exercise. *Application received by Commissioner of Customs:* April 18, 1990.

Docket number: 90–071. *Applicant:* Northwestern University, 633 Clark Street, Evanston, IL 60208. *Instrument:* Electron Microscope, Model HF–2000. *Manufacturer:* Hitachi, Japan. *Intended use:* The instrument will be used to study the local atomic scale structure of a wide range of solid materials such as metals, superconductors and ceramics to determine how the combination of the two affect the properties and performance of the materials, which will be measured separately. *Application received by Commissioner of Customs:* April 20, 1990.

Docket number: 90–072. *Applicant:* Scripps Clinic and Research Foundation, 10666 N. Torrey Pines Road, La Jolla, CA 92037. *Instrument:* Nuclear Magnetic Resonance Spectrometer Model AC–E 250. *Manufacturer:* Bruker Instruments, West Germany. *Intended use:* The instrument will be used to identify the products at different stages of the bio-organic synthesis procedures and to

study the structural conformation of their final compounds. The information obtained with this instrument will lead to better understanding of the specific cell recognition and anti-tumor activities of these compounds. *Application received by Commissioner of Customs:* April 20, 1990.

Docket number: 90–073. *Applicant:* Vanderbilt University School of Medicine, Department of Cell Biology, 21st Avenue, MCNC–2310, Nashville, TN 37232–2175. *Instrument:* Micromanipulator, Model MK1. *Manufacturer:* Singer Instrument Co. Ltd., United Kingdom. *Intended use:* The instrument will be used for studies of frog oocytes and eggs, and the early embryogenesis of the frog tadpole to understand the genetic control of early embryonic development by the family of genes that contain homeobox sequences, and in that way to understand development from the very earliest time after the egg is laid. *Application received by Commissioner of Customs:* April 23, 1990.

Docket number: 90–074. *Applicant:* Johns Hopkins University School of Medicine, 720 Rutland Avenue, Baltimore, MD 21205. *Instrument:* NMR Spectrometer, Model MSL–500. *Manufacturer:* Bruker Instruments, West Germany. *Intended use:* The instrument will be used for studies of *in vitro* intact cells, perfused organs (e.g. beating hearts, kidneys, liver, etc.) *in vivo* tumors and organs and the corneas and lenses of enucleated human and animal eyes. These studies will involve investigation of biomolecules such as proteins, nucleic acids, polysaccharides, phospholipids, and steroids and complexes of these molecules with each other, with metal ions and with drugs. Studies of various pharmaceutical agents and their active intermediates will be performed in the solid state and in solution. Additional investigations on biological membranes and other biomedically significant liquid crystals will be pursued. *Application received by Commissioner of Customs:* April 23, 1990.

Docket number: 90–075. *Applicant:* University of Utah, Department of Biology, Salt Lake City, UT 84112. *Instrument:* Mass Spectrometer, Model Delta S. *Manufacturer:* Finnigan, MAT, West Germany. *Intended use:* The instrument wil be used for studies involving analyses of both whole tissues and individual subcellular components of both plant and animal tissues. In addition, the instrument will be used for studies of atmospheric gases and solid water since they will affect the composition of the biological materials being analyzed. The instrument will also be used for educational purposes in the following courses: Biology 386, Plant Adaptation, Biology 506, Biological Instrumentation and Biology 601, Biological Techniques. *Application received by Commissioner of Customs:* April 23, 1990.

Frank W. Creel,

Director, Statutory Import Programs Staff.

[FR Doc. 90–10706 Filed 5–8–90; 8:45 am]

BILLING CODE 3510-DS-M

Columbia University—Lamont Doherty; Disposition of Application for Duty-Free Entry of Scientific Instrument

Processing of Docket Number 89–229 (See notice at 54 FR 41322, October 6, 1989) has been discontinued. The U.S. Customs Service has ruled that the Hydrosweep System falls within the definition of commercial use and is therefore ineligible for duty-free entry under item 9810.00.60 HTSUS.

Frank W. Creel,

Director, Statutory Import Programs Staff.

[FR Doc. 90–10707 Filed 5–8–90; 8:45 am]

BILLING CODE 3510-DS-M

Notice of Withdrawal of Application for Duty-Free Entry of Scientific Instruments

Texas A&M University has withdrawn Docket Number 89–201, an application for duty-free entry of an X-ray Photoelectron Spectrometer. We have discontinued processing in accordance with § 301.5(g) of 15 CFR part 301.

Frank W. Creel,

Director, Statutory Import Programs Staff.

[FR Doc. 90–10708 Filed 5–8–90; 8:45 am]

BILLING CODE 3510-DS-M

National Telecommunications and Information Administration

[Docket No. 900241-0041]

Comprehensive Study of Globalization of Mass Media Firms; Extension of Comment and Reply Comment Period

AGENCY: National Telecommunications and Information Administration (NTIA) Commerce.

ACTION: Notice of Inquiry; extension of time for comments and reply comments.

SUMMARY: On February 16, 1990 (55 FR 5792), NTIA published a Notice of Inquiry requesting public comment on its study of the globalization of mass media firms. Comments and Reply Comments were to be filed on or before May 11, 1990 and June 22, 1990. In response to inquiries about an extension due to the broad scope of this inquiry, NTIA is extending both the Comment and Reply Comment dates to May 30, 1990 and July 11, 1990 respectively.

DATES: Comments and Reply Comments are due on or before May 30, 1990 and July 11, 1990 respectively.

ADDRESSES: Comments (seven copies) should be sent to: Office of Policy Analysis and Development, NTIA, U.S. Department of Commerce, 14th St. and Constitution Ave., NW., room 4725, Washington, DC 20230.

FOR FURTHER INFORMATION CONTACT: Lisa Vawter or Julian Shepard, Office of Policy Analysis and Development, 202/377–1880.

Dated: May 4, 1990.

Thomas J. Sugrue,

Deputy Assistant Secretary of Commerce for Communications and Information.

[FR Doc. 90–10814 Filed 5–8–90; 8:45 am]

BILLING CODE 3510-60-M

COMMODITY FUTURES TRADING COMMISSION

Agricultural Advisory Committee Meeting

This is to give notice, pursuant to section 10(a) of the Federal Advisory Committee Act, 5 U.S.C. App. 2, section 10(a), that the public meeting of Commodity Futures Trading Commission's Agricultural Advisory Committee that had been scheduled to be held on May 16, 1990, from 9 a.m. to 3:30 p.m., has been cancelled and will be rescheduled at a later date.

Any member of the public who wishes additional information may contact Donald H. Heitman, Legal Assistant to Commissioner Kalo A. Hineman, Chairman of the Advisory Committee ((202) 254–5945), or Helen G. Blechman, Assistant General Counsel ((202) 254–9880), Commodity Futures Trading Commission, 2033 K Street NW., Washington, DC 20581.

Dated: May 3, 1990.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 90–10809 Filed 5–8–90; 8:45 am]

BILLING CODE 6351-01-M

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Federal Acquisition Regulation (FAR); 1990 Looseleaf Edition

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Notice of procedures for Federal agencies/departments to order the new 1990 Edition of the looseleaf edition of the FAR.

SUMMARY: This notice is to advise Federal agencies/departments to submit their copy requirements for the new 1990 looseleaf edition of the FAR to the Government Printing Office (GPO). Individual agency offices are responsible for making their requirements known to their agency GPO Liaison Officer. Agency GPO Liaison Officers are responsible for submitting agency copy requirements to GPO through their Printing and Publishing Official.

APPLICABLE DATES: Agencies must submit their FAR copy requirements to GPO by June 1, 1990. The 1990 looseleaf edition of the FAR will be distributed to agencies by GPO, beginning September 1, 1990, based on agency-established copy requirements.

FOR FURTHER INFORMATION CONTACT: Ms. Margaret A. Willis, FAR Secretariat, Room 4041, GS Building, Washington, DC 20405, (202) 501-4755.

SUPPLEMENTARY INFORMATION:

(1) The Federal Acquisition Regulation (FAR), established on April 1, 1984, is located in the Code of Federal Regulations at Title 48, Chapter 1. It is the primary regulation for use by all Federal Executive agencies in their acquisition of supplies and services with appropriated funds.

(2) The previous 1984 looseleaf edition of the FAR was distributed to agencies by the GPO, based on agency-established copy requirements. Updates (Federal Acquisition Circulars (FAC's)) to that edition were distributed in FY 1985 through 1990, also based on agency-established copy requirements for those years. GPO now requires agencies to submit by June 1, 1990, their copy requirements for the new 1990 FAR looseleaf edition.

(3) Agency GPO Liaison Officers responsible for managing FAR distribution are being reminded to consolidate their agency's FAR copy requirements and to make those requirements known to GPO through their agency Printing and Publication Official. All production costs will be prorated to participating agencies by GPO.

(4) Federal employees unable to obtain the new basic looseleaf 1990 edition through their agency GPO Liaison Officer may subscribe to the FAR directly with GPO by following the procedures in paragraph six of this notice. Agencies not submitting their Standard Form (SF) 1, Printing and Binding Requisition, for new copy requirements to GPO by June 1, 1990, *will not be permitted to order by rider requisition;* agencies will have to purchase their requirements from the Superintendent of Documents at a *significantly increased* per copy cost.

(5) FAR updates (Federal Acquisition Circulars (FAC's)) will be issued in FY 1991, to be filed in the new basic 1990 looseleaf edition of the FAR text. Federal agencies/departments will be required to submit at a later date and by separate SF 1, their FY 1991 update (FAC) requirements, when advised by GPO by Circular Letter to each agency Federal Printing and Publication Official.

(6) Private sector companies, associations, businesses, and other interested parties wishing to receive the new basic 1990 looseleaf edition of the FAR may place subscription orders with GPO by writing or calling, Superintendent of Documents, Government Printing Office, Washington, DC 20405, telephone: (202) 783-3238. The price for each domestic or foreign subscription order is established by the Superintendent of Documents. GPO requires payment in advance unless charged to MasterCard, Visa, or GPO charge account.

Dated: May 3, 1990.

Albert A. Vicchiolla,

Director, Office of Federal Acquisition Policy.

[FR Doc. 90-10709 Filed 5-8-90; 8:45 am]

BILLING CODE 6820-34-M

Department of the Army

Army Science Board; Open Meeting

In accordance with section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463), announcement is made of the following Committee Meeting:

Name of the Committee: Army Science Board (ASB).

Dates of Meeting: 31 May-1 June 1990.

Time: 0800-1700.

Place: Logistics Center, Bldg. 10500, James Madison Conference Room, Fort Lee, VA.

Agenda: The Army Science Board (ASB) Summer Study on Reduction of Operating and Support (O&S) Cost will hold a series of briefings on Logistics Center Command Overview, the Atlanta XVI O&S Cost. There will be discussions on O&S Cost initiatives within: concepts and doctrine, training, force development and material systems. This meeting will be open to the public. Any interested person may attend, appear before, or file statements with the committee at the time and in the manner permitted by the committee. The ASB Administative Officer, Sally Warner, may be contacted for further information at (202) 695-0781/0782.

Sally A. Warner,

Administrative Officer, Army Science Board.

[FR Doc. 90-10702 Filed 5-8-90; 8:45 am]

BILLING CODE 3710-08-M

DEPARTMENT OF ENERGY

Morgantown Energy Technology Center; Financial Assistance Solicitation Available Notice; (Cooperative Agreement)

AGENCY: U.S. Department of Energy (DOE), Morgantown Energy Technology Center.

ACTION: Notice of the availability of a financial assistance solicitation.

SUMMARY: On or about May 24, 1990, the DOE, Morgantown Energy Technology Center, plans to issue a Program Research and Development Announcement (PRDA) No. DE-RA21-90MC27211 for the solicitation of proposals in support of research and development entitled "Process Development Unit—Scale Development of Coal Mild Gasification." Authority for the PRDA is the DOE Organization Act (Pub. L. 95-91 (42 U.S.C. 7101)) and the DOE Financial Assistance Regulations, 10 CFR part 600, subparts A and C. DOE anticipates award of a Cooperative Agreement with a project duration of approximately 36 months.

FOR FURTHER INFORMATION CONTACT: D. Denise Riggi, U.S. Department of Energy, Morgantown Energy Technology Center, P.O. Box 880, Morgantown, West Virginia 26505, Telephone: (304) 291-4241, PRDA No. DE-RA21-90MC27211.

SUPPLEMENTARY INFORMATION: The primary objective of this effort is to address mild gasification process development and relevant market issues leading to commercialization of coal mild gasification co-products. METC plans to continue toward successful commercialization of mild gasification of coal by scaling up a process research

unit to a 0.5–2 ton/hour process development unit. Among key elements to be evaluated are: technical maturity, economic viability, and the offeror's understanding and appreciation of market issues and commitment to commercialization. Since the Government desires to maximize the research efforts and fulfill Congressional language, a minimum 20% cost-sharing arrangement is required. Copies of the PRDA may be obtained by submitting a request to the address provided above. Telephone requests will not be honored.

Dated: May 2, 1990.

Louie L. Calaway, Director,

Acquisition and Assistance Division, Morgantown Energy Technology Center.

[FR Doc. 90-10837 Filed 5-8-90; 8:45 am]

BILLING CODE 6450-01-M

Bonneville Power Administration

Proposed Contract Rate for the Sale of Capacity to Pacific Power & Light Co., and Opportunity for Public Review and Comment

AGENCY: Bonneville Power Administration (BPA), DOE.

ACTION: Notice of opportunity for review and comment. *BPA File No:* PPL-90. BPA requests that all comments and documents intended to become part of the official record in the establishment of the Pacific Power and Light Company contract rate contain the file designation PPL-90.

SUMMARY: BPA is proposing a 20-year sale of 1,100 megawatts (MW) increasing to 1,400 MW of firm capacity to PacifiCorp, Inc., doing business as Pacific Power & Light Company (Pacific), to be effective September 1, 1991. Pacific's current 20-year capacity contract with BPA for 1,127 MW of firm capacity will expire on August 31, 1991. The proposed sale will be entirely within the Pacific Northwest region and will not require use of the Pacific Northwest-Pacific Southwest Intertie.

Responsible Official: Mr. Dennis E. Metcalf, Deputy Director, Division of Contracts and Rates, is the official responsible for the development of BPA's wholesale power and transmission rates.

DATES: Persons wishing to become a formal "party" to the proceedings must notify BPA in writing of their intention to do so in accordance with requirements stated later in this notice. Petitions to intervene must be received by May 15, 1990, and should be addressed as follows: Honorable Dean F. Ratzman, Hearing Officer, c/o John Ciminello–APR, Hearing Clerk, Bonneville Power Administration, P.O. Box 12999, Portland, Oregon 97212. In addition, a copy of the intervention must be served on BPA's Office of General Counsel–APR, P.O. Box 3621, Portland, Oregon 97208.

BPA will prefile the testimony of its witnesses on May 10, 1990. Copies will be available in BPA's Public Information Center and will be mailed to all parties to BPA's 1989 general rate proceeding and to others who so request. A final record of decision will be issued on August 7, 1990.

A prehearing conference will be held before the Hearing Officer at 2 p.m. on May 17, 1990, in the BPA Hearing Room, room 223, 1002 NE. Holladay, Portland, Oregon. Registration for the prehearing conference will begin at 1:30 p.m. At the prehearing conference, the Hearing Oficer will rule on all intervention petitions and oppositions to intervention petitions, establish additional procedures, establish a service list, establish a procedural schedule, and consolidate parties with similar interests for purposes of filing jointly sponsored testimony and briefs and expediting cross-examination. A notice of the dates and times of the hearings will be mailed to all parties of record. Objections to orders issued by the Hearing Officer at the prehearing conference must be made at the prehearing conference in person or through a representative.

The following proposed schedule is provided for informational purposes. A final schedule will be established by the Hearing Officer at the prehearing conference:

May 10, 1990—BPA direct case filed. Available at BPA's Public Information Center, 905 NE. 11th, 1st Floor, Portland, Oregon.

May 15, 1990—Deadline for petitions to intervene.

May 17, 1990—Technical session on Initial Proposal.

May 17, 1990—Prehearing conference to set schedule and act on petitions to intervene.

June 5, 1990—Parties' direct case and rebuttal to BPA direct testimony filed.

June 21, 1990—Litigants' rebuttal to parties' testimony filed.

June 27–28, 1990—Cross examination.

July 20, 1990—Draft Record of Decision.

August 7, 1990—Final Record of Decision.

ADDRESSES: Written comments should be submitted to the Public Involvement Manager—ALP, Bonneville Power Administration, P.O. Box 12999, Portland, Oregon 97212.

FOR FURTHER INFORMATION CONTACT: Ms. Shirley Price, Public Involvement office, at the address listed above or at 503-230-3478. BPA has toll-free numbers available: Oregon callers may use 800-452-8429; callers in California, Idaho, Montana, Nevada, Utah, Washington, and Wyoming may use 800-547-6048. Information may also be obtained from:

Mr. George E. Gwinnutt, Lower Columbia Area Manager, suite 243, 1500 NE. Irving Street, Portland, Oregon 97232, 503-230-4551

Mr. Robert N. Laffel, Eugene District Manager, room 206, 211 East Seventh Street, Eugene, Oregon 97401, 503-687-6952

Mr. Wayne R. Lee, Upper Columbia Area Manager, room 561, West 920 Riverside Avenue, Spokane, Washington, 99201, 509-353-2518

Mr. George E. Eskridge, Montana District Manager, 800 Kensington, Missoula, Montana 59801, 406-329-3060

Mr. Ronald K. Rodewald, Wenatchee District Manager, room 307, 301 Yakima Street, Wenatchee, Washington 98801, 509-662-4377, extension 379

Mr. Terence G. Esvelt, Puget Sound Area Manager, suite 400, 201 Queen Anne Avenue, Seattle, Washington 98109-1030, 206-442-4130

Mr. Thomas V. Wagenhoffer, Snake River Area Manager, 101 West Poplar, Walla Walla, Washington 99362, 509-522-6225

Mr. Richard J. Itami, Idaho Falls District Manager, 1527 Hollipark Drive, Idaho Falls, Idaho 83401, 208-523-2706

Mr. Thomas H. Blankenship, Boise District Manager, room 494, 550 West Fort Street, Boise, Idaho 83724, 208-334-9137.

SUPPLEMENTARY INFORMATION:

Table of Contents

I. Background

A. Contract Terms

A description of the proposed BPA-Pacific capacity contract is provided here solely for informational purposes. The negotiated terms of the contract other than the proposed rate are not at issue in this proceeding.

Pacific may take delivery of peaking energy during heavy load hours (7 a.m. to 10 p.m., Monday through Saturday) up to an amount equal to 10 hours a day or 50 hours a week times the contract demand, at a maximum hourly amount equal to the contract demand. Deliveries of energy during light load hours (those hours that are not heavy load hours), is also permitted. Light load hour deliveries may not exceed the contract demand on any hour. Return of peaking energy to BPA is due within 168 hours (7 days) of the initial deliveries at an hourly return rate of up to 100 percent of the contract demand. However, BPA anticipates that in certain months its ability to back off generation will be constrained during the same off-peak

hours Pacific uses to return energy to BPA. During these months, and subject to certain limitations, BPA retains the right to restrict Pacific's returns to specific percentages of contract demand. BPA also retains the right to permit increased rates of return of greater than 100 percent upon request by Pacific.

Although deliveries are normally prescheduled one working day in advance, the contract provides Pacific with the right to change the prescheduled amount of peaking energy on 30 minutes' notice. During heavy load hours, Pacific may either increase or decrease prescheduled energy deliveries, although the sum of the absolute value of the changes may not exceed an amount equal to six times the contract demand on any day. During light load hours Pacific has the right to increase deliveries of energy during any hour up to the contract demand. There are no rights to decrease light load hour deliveries.

B. Recall Rights

BPA maintains the right to recall the capacity sale to Pacific upon a 5-year written notice, in order to serve specified loads including those under contracts entered into pursuant to sections 5(b), (c), and (d) of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) 16 U.S.C. 839c(b–d), and under any renewal or extension of such contracts. This right is expressly provided for in the contract.

C. The Negotiated Rate

The proposed contract is advantageous to both parties. Pacific will continue to receive a capacity product similar to what it receives under the existing contract. For BPA, the rate provides a sale of surplus firm capacity at a price that covers BPA's embedded costs, recovers more revenue than alternative short-term uses of the power, and ensures timely U.S. Treasury payment and lower power rates for other BPA customers. The initial rate for the proposed contract is $4.92 per kilowatt-month, to be escalated at the rate of change in BPA's average system cost (BASC).

The rate is the result of an extensive negotiation process that sought to meet the needs of both parties in a mutually beneficial outcome. The rate is designed to recover the embedded fixed and variable costs associated with the sale of surplus firm capacity over the entire term of the contract. The embedded costs represent the investment made in the Federal hydro-thermal system and the costs of operating this system. It is this system which creates sufficient surplus capacity that allows this contract with Pacific to be executed without the need to construct additional new facilities during the term of the contract.

The rate recovers the costs of providing a basic capacity product. The basic product is the prescheduled delivery of 50 hours of capacity per week having energy returns delivered within 24 hours. This capacity product is currently offered under BPA's firm power rate schedules. The Pacific rate also covers the costs to BPA of providing Pacific with certain additional flexibility features that Pacific requires. The provision of this additional flexibility for Pacific's benefit implies a like reduction of system flexibility for BPA's own use, resulting in a loss of revenue from nonfirm energy and other short-term transactions. Therefore, costs that were expected to be recovered from such transactions are appropriately reallocated to the Pacific contract rate.

Comparing this contract in total to other alternative uses of the capacity, BPA projects that the revenues that could be recovered from alternative short-term uses are significantly less than the revenues provided under this contract. Also, the revenues recovered under this contract compare favorably to revenues that would be recovered if BPA applied capacity rates established under the Surplus Firm Power or New Resource Firm Power rate schedules.

Escalating the price at the rate of change in BASC has significant advantages for both BPA and Pacific. BASC is adjusted each time BPA's general wholesale rates are adjusted. The advantage to BPA is that the formula rate escalated at BASC is specifically designed to ensure cost recovery since BASC is based on the recovery of BPA's total system costs. In addition, the formula rate provides BPA with a stable and predictable stream of revenues that serve to reduce the revenue risk BPA faces as it meets its ongoing financial obligations. That same stability and predictability which are advantageous to BPA on the revenue side are equally advantageous to Pacific on the cost side. BPA expects BASC to remain stable in real terms for the term of the proposed contract.

II. Rate Proposal

The proposed rate for firm capacity is as follows:

A. Applicability

This rate is effective for 20 years beginning on September 1, 1991, and will apply to either the long-term contract or to any interim bridge agreement if the long-term contract is not yet in place.

B. Initial Rate

$4.92 per kilowatt (kW)-month of Contract Demand.

C. Escalation

Beginning on September 1, 1991, the rate for surplus firm capacity purchased by Pacific under the contract shall be adjusted periodically to reflect changes in BPA's average system cost. Such adjustment shall be made whenever BPA has a general rate case, and such adjustment shall be effective on the same day that adjustments to BPA's other rates become effective. The adjusted rate for firm capacity shall be determined by the following formula:

$$PPL\text{–}90_n = PPL\text{–}90_{init} \frac{BASC_n}{BASC_{init}}$$

Where:

$PPL\text{–}90_n$ = The adjusted firm capacity rate (in $/kW-month of Contract Demand and calculated to the nearest cent) to be effective subsequent to BPA's then most recent general rate case on the effective date of BPA's other newly adjusted rates.

$PPL\text{–}90_{init}$ = $4.92 per kW-month of Contract Demand.

$BASC_n$ = BPA's average system cost (in mills per kWh and calculated to the nearest one-tenth of a mill) as determined in BPA's then most recent general rate case that will be used to adjust BPA's wholesale power rate schedules. BPA's average system cost shall be equal to BPA's total system costs for the test period of such general rate case divided by BPA's total annual system sales (kWh) forecasted for such test period. BPA's total system costs shall be the sum of all BPA's costs forecasted in each general rate case for the applicable rate period, including total transmission costs, Federal base system costs, new resource costs, exchange resource costs, and other costs not specifically allocated to a rate pool, such as section 7(g) costs under the Northwest Power Act. BPA's total annual system sales shall be the sum of all BPA's system firm and nonfirm sales forecasted in each general rate case for the applicable test period. BPA average system cost shall be redetermined in each subsequent general rate case according to the above formula and will be in effect for the entire rate period over which the rates are in effect.

$BASC_{init}$ = 23.2 mills per kilowatthour.

III. Relevant Statutory Provisions

Section 7 of the Northwest Power Act, 16 U.S.C. 839e, contains general directives that the BPA Administrator must consider in establishing rates for electric energy and capacity. In particular, section 7(a)(1), 16 U.S.C. 839e(a)(1), provides:

Such rates shall be established and, as appropriate, revised to recover, in accordance with sound business principles, the costs associated with the acquisition, conservation, and transmission of electric power, including the amortization of the Federal investment in the Federal Columbia River Power System (including irrigation costs required to be repaid out of power revenues) over a reasonable period of years and the other costs and expenses incurred by the Administrator pursuant to this Act and other provisions of law. Such rates shall be established in accordance with sections 9 and 10 of the Federal Columbia River Transmission System Act (16 U.S.C. 838), section 5 of the Flood Control Act of 1944, and the provisions of this Act.

Rates established by BPA are effective upon interim or final approval by the Federal Energy Regulatory Commission (FERC). 16 U.S.C. 839e(a)(2).

IV. Procedures Governing Rate Adjustments and Public Participation

A. Expedited Rate Procedures

The Administrator is authorized under section 5(f) of the Pacific Northwest Electric Power Planning and Conservation Act, 16 U.S.C. 839c(f), to sell surplus power. Section 5(f) provides:

The Administrator is authorized to sell, or otherwise dispose of, electric power, including power acquired pursuant to this and other Acts, that is surplus to his obligations incurred pursuant to subsections (b), (c), and (d) of this section in accordance with this and other Acts applicable to the Administrator * * *

Section 7(i) of the Northwest Power Act, 16 U.S.C. 839e(i), requires that rates be set according to certain procedures. These procedures include issuance of a Federal Register notice announcing the proposed rates, one or more hearings; the opportunity to submit written views, supporting information, questions, and arguments; and a decision by the Administrator based on the record developed during the hearing process. This proceeding will be governed by BPA's "Procedures Governing Bonneville Power Administration Rate Hearings," 51 FR 7611 (March 5, 1986) which implement, and in most instances expand, these statutory requirements.

Pursuant to Rule 1010.3(c) of the Procedures Governing Bonneville Power Administration Rate Hearings (BPA Procedures), this hearing will be conducted under Rule 1010.10, which governs Expedited Rate Proceedings. The expedited procedures will be used rather than the procedures for General Rate Proceedings conducted under Rule 1010.9. The procedures for General Rate Proceedings are intended for use when the Administrator proposes to revise all, or substantially all, of BPA's wholesale power and transmission rates. The proposed PPL-90 rate is a specific rate applicable to one contract sale; therefore, the issues in this rate proceeding will be fewer and of more limited scope than the issues in a proceeding to adjust all BPA rates. BPA believes that the 90-day Expedited Rate Proceeding will be adequate to develop a full and complete record and to receive public comment and argument related to the proposed rate. If more time is required, the Hearing Officer may request under § 1010.10(b) of the BPA Procedures, that the BPA Administrator grant an extension.

B. Distinguishing Between "Participants" and "Parties"

BPA distinguishes between "participants in" and "parties to" the hearings. Apart from the formal hearing process, BPA will receive comments, views, opinions, and information from "participants," who are defined in the BPA Procedures as persons who may submit comments without being subject to the duties of, or having the privileges of, parties. Participants' written and oral comments will be made part of the official record and considered by the Administrator. Participants are not entitled to participate in the prehearing conference; may not cross examine parties' witnesses, seek discovery, or serve or be served with documents; and are not subject to the same procedural requirements as parties.

Written comments by participants will be included in the record if they are submitted on or before June 29, 1990. Participants' written views, supporting information, questions, and arguments should be submitted to BPA's Public Involvement Office.

The second category of interest is that of a "party" as defined §§ 1010.2 and 1010.4 of the BPA Procedures. 51 FR 7611 (1986). Parties may participate in any aspect of the hearing process.

C. Petitions for Intervention

Persons wishing to become a party to BPA's rate proceeding must notify BPA in writing of their interest. Petitioners may designate no more than two representatives upon whom service of documents will be made. Petitions to intervene shall state the name and address of the person requesting party status and the person's interest in the hearing. Petitioners must explain their interests in sufficient detail to permit the Hearing Officer to determine whether they have a relevant interest in the hearing. Pursuant to Rule 1010.1(d) of BPA's Procedures, BPA waives the requirement in Rule 1010.4(d) that an opposition to an intervention petition be filed and served 24 hours before the prehearing conference. Any opposition to an intervention petition may instead be made at the prehearing conference. Any party, including BPA, may oppose a petition for intervention. Persons who have been denied party status in any past BPA rate proceeding shall continue to be denied party status unless they establish a significant change of circumstances. All timely applicaitons will be ruled on by the Hearing Officer. Late interventions are strongly disfavored. Opposition to an untimely petition to intervene shall be filed and received by BPA within 2 days after service of the petition. Intervention petitions will be available for inspection in BPA's Public Information Center, 1st floor, 905 NE. 11th, Portland, Oregon.

Persons seeking to become parties may wish to obtain copies of BPA's testimony prior to the prehearing conference in order to prepare for BPA's informal technical session on May 17, 1990, scheduled for 9 a.m. in the BPA Hearing Room. At the technical session, BPA staff will be available to informally clarify information contained in the testimony.

To request the testimony by telephone, call BPA's toll-free document request line: 800-841-5867 for Oregon outside of Portland; 800-624-9495 for Washington, Idaho, Montana, California, Wyoming, Utah, and Nevada. You will reach a recorded message where you can leave your request for the testimony. Other callers should use 503-230-3478.

D. Developing the Record

Cross-examination will be scheduled by the hearing officer as necessary following completion of the filing of all parties' and BPA's direct cases, rebuttal testimony, and discovery. Parties will have the opportunity to file initial briefs at the close of cross-examination.

After the close of the hearings, and following submission of initial briefs, BPA will file a draft record of decision which will identify the rate issues BPA will resolve in the hearing, summarize the factual, legal, and policy arguments presented by BPA and the parties of each rate issue, and state the Administrator's tentative decision. Parties may file briefs on exceptions, or when all parties have previously agreed, oral argument may be substituted for briefs on exceptions. When oral argument has been scheduled in lieu of

briefs on exceptions, the argument will be transcribed and made part of the record.

The record will include, among other things, the transcripts of any hearings, written material submitted by the participants, and evidence accepted into the record by the Hearing Officer. The Hearing Officer then will review the record, supplement it if necessary, and certify the record to the Administrator for decision.

The Administrator will develop the final proposed PPL-90 rate based on the entire record. The basis for the final proposed PPL-90 rate will be expressed in the Administrator's Record of Decision (ROD). The Administrator will serve copies of the ROD on all parties and will file the final proposed rate, together with the record, with FERC for confirmation and approval.

V. Statement of Issues

Pursuant to § 1010.3(f) of the BPA Procedures, the Administrator limits the scope of this hearing to issues respecting the establishment of the PPL-90 rate as described in section II hereof. *See* § 1010.2(j), BPA Procedures. Issues such as proposed contracts or offers, and the extent and availability of capacity are not rate matters for the purposes of this hearing.

BPA is preparing an Environmental Assessment to comply with the National Environmental Policy Act (NEPA) that will evaluate the potential environmental impacts of the terms of the contract taken as a whole. Opportunity will be given for public comment during the NEPA process.

Issued in Portland, Oregon, on April 25, 1990.

James J. Jura,

Administrator, Bonneville Power Administration.

[FR Doc. 90-1019 Filed 5-8-90; 8:45 am]

BILLING CODE 6450-10-M

Conservation and Renewable Energy

National Energy Extension Service Advisory Board Open Meeting

Pursuant to the provisions of the Federal Advisory Committee Act (Pub. L. 94-463, 86 Stat. 770), Notice is hereby given of the following advisory committee meeting:

Name: National Energy Extension Service Advisory Board.

Date and Time: Monday, June 4, 1990, 8:30 a.m.-5:00 p.m.

Tuesday, June 5, 1990, 8:30 a.m.-5:00 p.m.

Wednesday, June 6, 1990, 8:30 a.m.-12:00 noon.

Place: Key Bridge Marriott, 1401 Lee Highway, Arlington, VA 22209.

Contact: Jerry D. Duane, U.S. Department of Energy, Forrestal Building—6A081 1000 Independence Avenue, SW., Washington, DC 20585, Telephone: 202-586-2344.

Purpose of the Board: The Board was established to carry on a continuing review of the National Energy Extension Service programs. Additionally, the Board is responsible for reporting on an annual basis to the Congress, the Secretary of Energy, and the Director of the Energy Extension Service.

Tentative Agenda:

Monday, June 4, 1990

- Overview of the EES Programs
- Review of pending legislation affecting EES current program status
- Distribution of staff report for Board review
- Public comment (10 minute rule)

Tuesday, June 5, 1990

- Review and Board discussion of Eleventh Annual Report
- Public comment (10 minute rule)

Wednesday, June 6, 1990

- Review and final approval of Eleventh Annual Report
- Public comment (10 minute rule)

Public Participation: The meeting is open to the public. The Chairperson of the Committee is empowered to conduct the meeting in a fashion that will, in his or her judgment, facilitate the orderly conduct of business. Any member of the public who wishes to file a written statement with the Committee will be permitted to do so either before or after the meeting. Members of the public who wish to make oral statements pertaining to agenda items should contact Jerry D. Duane at 202-586-2344. Requests must be received at least 5 days prior to the meeting, and reasonable provision will be made to include the presentation on the agenda.

Transcripts: Available for public review and copying at the Public Reading Room, 1E-190, Forrestal Building, 1000 Independence Avenue, SW., Washington, DC, between 9 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

Issued at Washington, DC on May 4, 1990.

J. Robert Franklin,

Deputy, Advisory Committee Management Officer.

[FR Doc. 90-10836 Filed 5-8-90; 8:45 am]

BILLING CODE 6450-01-M

Federal Energy Regulatory Commission

[Docket No. QF90-136-000]

Application for Commission Certification of Qualifying Status of a Small Power Production Facility; Sissonville Limited Partnership

May 2, 1990.

On April 18, 1990, Sissonville Limited Partnership (Applicant), submitted for filing an application for certification of a facility as a qualifying small power production facility pursuant to § 292.207 of the Commission's regulations. No determination has been made that the submittal constitutes a complete filing.

The hydroelectric facility (FERC P. 9260) will be located on the Raquette River in the Town of Potsdam, St. Lawrence County, New York. The facility will consist of electric generation equipment and appurtenant facilities. The net electrical power production will be approximately 2,300 KW using water as its primary energy source. No other fuels will be used at the facility for any purpose.

The facility will be owned by the Applicant, a New York limited partnership whose general and limited partners are Adirondack Hydro Development Corporation and two subsidiaries of an electric utility holding company, Dominion Energy, Inc. and Dominion Cogen NY, Inc.

Any person desiring to be heard or objecting to the granting of qualifying status should file a petition to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, in accordance with rules 211 and 214 of the Commission's Rules of Practice and Procedure. All such petitions or protests must be filed within 30 days after the date of publication of this notice and must be served on the applicant. Protests will be considered by the Commission in determining the appropriate action to be taken but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

A separate application is required for a hydroelectric project license, preliminary permit or exemption from licensing. Comments on such applications are requested by separate public notice. Qualifying status serves only to establish eligibility for benefits provided by PURPA, as implemented by the Commission's regulations, 18 CFR part 292. It does not relieve a facility of

any other requirements of local, State or Federal law, including those regarding siting, construction, or operation, licensing and pollution abatement.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10772 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket Nos. ST90-2121-000 through ST90-2451-000]

Valero Transmission, L.P.; Self-Implementing Transactions

May 3, 1990.

Take notice that the following transactions have been reported to the Commission as being implemented pursuant to part 284 of the Commission's regulations, sections 311 and 312 of the Natural Gas Policy Act of 1978 (NGPA) and section 5 of the Outer Continental Shelf Lands Act.[1]

The "Recipient" column in the following table indicates the entity receiving or purchasing the natural gas in each transaction.

The "Part 284 Subpart" column in the following table indicates the type of transaction.

A "B" indicates transportation by an interstate pipeline on behalf of an intrastate pipeline or a local distribution company pursuant to § 284.102 of the Commission's regulations and section 311(a)(1) of the NGPA.

A "C" indicates transportation by an intrastate pipeline on behalf of an interstate pipeline or a local distribution company served by an interstate pipeline pursuant to § 284.122 of the Commission's regulations and section 311(a)(2) of the NGPA.

A "D" indicates a sale by an intrastate pipeline to an interstate pipeline or a local distribution company served by an interstate pipeline pursuant to § 284.142 of the Commission's Regulations and section 311(b) of the NGPA. Any interested person may file a complaint concerning such sales pursuant to § 284.147(d) of the Commission's Regulations.

An "E" indicates an assignment by an intrastate pipeline to any interstate pipeline or local distribution company pursuant to Section 284.163 of the Commission's regulations and section 312 of the NGPA.

A "G" indicates transportation by an interstate pipeline on behalf of another interstate pipeline pursuant to § 284.222 and a blanket certificate issued under § 284.221 of the Commission's regulations.

A "G-S" indicates transportation by interstate pipelines on behalf of shippers other than interstate pipelines pursuant to § 284.223 and a blanket certificate issued under § 284.221 of the Commission's regulations.

A "G-LT" or "G-LS" indicates transportation, sales or assignments by a local distribution company on behalf of or to an interstate pipeline or local distribution company pursuant to a blanket certificate issued under § 284.224 of the Commission's regulations.

A "G-HT" or "G-HS" indicates transportation, sales or assignments by a Hinshaw Pipeline pursuant to a blanket certificate issued under § 284.224 of the Commission's regulations.

A "K" indicates transportation of natural gas on the Outer Continental Shelf by an interstate pipeline on behalf of another interstate pipeline pursuant to § 284.303 of the Commission's regulations.

A "K-S" indicates transportation of natural gas on the Outer Continental Shelf by an intrastate pipeline on behalf of shippers other than interstate pipelines pursuant to § 284.303 of the Commission's regulations.

Lois D. Cashell,

Secretary.

[1] Notice of a transaction does not constitute a determination that the terms and conditions of the proposed service will be approved or that the noticed filing is in compliance with the Commission's regulations.

Docket No.[1]	Transporter/Seller	Recipient	Date filed	Part 284 subpart	Estimated maximum daily quantity[2]
ST90-2121	Valero Transmission, L.P	El Paso Natural Gas Co	03-01-90	C	3,500
ST90-2122	Crosstex Pipeline Co	Natural Gas Pipeline Co. of America	03-01-90	C	4,200
ST90-2123	Northwest Pipeline Corp	LFC Gas Co	03-01-90	G-S	4,800
ST90-2124	Northern Natural Gas Co	PSI, Inc	03-01-90	G-S	255
ST90-2125	Seagull Shoreline System	Seagull Interstate Corp	03-01-90	C	30,000
ST90-2126	Alabama-Tennessee Natural Gas Co	City of Florence	03-01-90	B	12,436
ST90-2127	......do	Sheffield Utilities	03-01-90	B	6,094
ST90-2128	......do	Tennessee Valley Authority	03-01-90	G-S	10,000
ST90-2129	......do	City of Iuka	03-01-90	B	1,847
ST90-2130	......do	Amoco Chemical Co	03-01-90	G-S	18,000
ST90-2131	......do	Lawrence-Colbert Counties District	03-01-90	B	2,076
ST90-2132	Coronado Transmission Co	Southern Natural Gas Co	03-02-90	C	12,500
ST90-2133	Lone Star Gas Co	Natural Gas Pipeline Co. of America	03-02-90	C	8,000
ST90-2134	Alabama-Tennessee Natural Gas Co	Reynolds Metal Co	03-01-90	G-S	25,000
ST90-2135	Channel Industries Gas Co	Tennessee Gas Pipeline Co	03-02-90	C	20,000
ST90-2136	Mid Louisiana Gas Co	Sonat Marketing Co	03-02-90	G-S	10,000
ST90-2137	Tennessee Gas Pipeline Co	Delta Natural Gas Co	03-02-90	B	4,000
ST90-2138	......do	City of Batesville	03-02-90	B	1,000,000
ST90-2139	Natural Gas Pipeline Co. of America	Catamount Natural Gas, Inc	03-02-90	G-S	100,000
ST90-2140	......do	Midcon Marketing Corp	03-02-90	G-S	300,000
ST90-2141	ANR Pipeline Co	Tarpon Gas Marketing Ltd	03-02-90	G-S	150,000
ST90-2142	......do	NGC Intrastate Pipeline Co	03-02-90	B	100,000
ST90-2143	......do	Phibro Distributors Corp	03-02-90	G-S	250,000
ST90-2144	Mississippi River Transmission Corp.	Entrade Corp	03-02-90	G-S	40,000
ST90-2145	......do	Big River Zinc Co	03-02-90	G-S	3,060
ST90-2146	......do	Laclede Steel Co	03-02-90	G-S	2,295
ST90-2147	......do	American Central Gas Marketing Co	03-02-90	G-S	50,000
ST90-2148	......do	Nimrod Natural Gas Corp	03-02-90	G-S	50,000
ST90-2149	......do	Asarco, Inc	03-02-90	G-S	2,652
ST90-2150	......do	Mississippi Lime Co	03-02-90	G-S	3,090
ST90-2151	......do	Cerro Copper Products Co	03-02-90	G-S	734
ST90-2152	......do	Ralston Purina Co	03-02-90	G-S	1,500

Docket No.[1]	Transporter/Seller	Recipient	Date filed	Part 284 subpart	Estimated maximum daily quantity[2]
ST90-2153	......do	Flat River Glass Co	03-02-90	G-S	2,150
ST90-2154	......do	American Steel Foundries, Amsted Indst	03-02-90	G-S	1,000
ST90-2155	......do	River Cement Co	03-02-90	G-S	3,575
ST90-2156	......do	Spectrulite Consortium, Inc	03-02-90	G-S	460
ST90-2157	......do	PPG Industries, Inc	03-02-90	G-S	1,350
ST90-2158	Texas Eastern Transmission Corp	Gulf States Gas Corp	03-02-90	G-S	15,000
ST90-2159	United Gas Pipe Line Co	Texaco Gas Marketing, Inc	03-02-90	G-S	103,000
ST90-2161	Delhi Gas Pipeline Corp	Transcontinental Gas Pipe Line Corp	03-02-90	C	60,000
ST90-2162	Transcontinental Gas Pipe Line Corp	Transco Energy Marketing Co	03-02-90	G-S	50,000
ST90-2163	Tennessee Gas Pipeline Co	Sun Gas Transmission L.P	03-05-90	B	31,500
ST90-2164	Transcontinental Gas Pipe Line Corp	Texarkoma Transportation Co	03-05-90	G-S	5,000
ST90-2165	Sea Robin Pipeline Co	Corpus Christi Oil & Gas Co	03-05-90	G-S	82,400
ST90-2166	United Gas Pipe Line Co	Marathon Oil Co	03-05-90	G-S	15,450
ST90-2167	......do	Brooklyn Interstate Natural Gas Corp	03-05-90	G-S	30,900
ST90-2168	......do	Laser Marketing Co	03-05-90	G-S	618,000
ST90-2169	......do	Enermark Gas Gathering Corp	03-05-90	G-S	103,000
ST90-2170	Midwestern Gas Transmission Co	Ntcotex Gas Transport	03-06-90	B	80,000
ST90-2171	......do	Northern Illinois Gas Co	03-06-90	B	200,000
ST90-2172	Trailblazer Pipeline Co	Coastal States Gas Transmission Co	03-06-90	B	353,000
ST90-2173	......do	Associated Intrastate Pipeline Co	03-06-90	B	353,000
ST90-2174	Enogex Inc	Phillips Gas Pipeline Co	03-06-90	C	100,000
ST90-2175	Northern Natural Gas Co	Mobil Natural Gas, Inc	03-06-90	G-S	100,000
ST90-2176	Columbia Gas Transmission Corp	Cumberland Gas Marketing Co	03-06-90	G-S	2,345
ST90-2177	Natural Gas Pipeline Co. of America	Triumph Natural Gas L.P.	03-07-90	G-S	10,000
ST90-2178	Texas Gas Transmission Corp	Peoples Natural Gas Co	03-07-90	B	10,000
ST90-2179	Northern Border Pipeline Co	V.H.C. Pipeline, L.P	03-07-90	B	200,000
ST90-2180	Texas Gas Transmission Corp	Associated Natural Gas Co., Inc	03-07-90	G-S	50,000
ST90-2181	ANR Pipeline Co	Amron Co	03-07-90	G-S	5,000
ST90-2182	......do	Panhandle Eastern Pipe Line Co	03-07-90	G	50,000
ST90-2183	......do	Ladish Malting Co	03-07-90	G-S	10,000
ST90-2184	Mississippi River Transmission Corp	Coastal Gas Marketing Co	03-07-90	G-S	600,000
ST90-2185	......do	General Chemical Corp	03-07-90	G-S	309
ST90-2186	......do	Total Minatome Corp	03-07-90	G-S	20,000
ST90-2187	......do	Laroche Industries	03-07-90	G-S	1,500
ST90-2188	Midwestern Gas Transmission Co	Indiana Gas Co	03-07-90	B	200,000
ST90-2189	......do	Northern Illinois Gas Co	03-07-90	B	30,000
ST90-2190	Valero Transmission, L.P	United Gas Pipe Line Co	03-07-90	C	10,000
ST90-2191	Tennessee Gas Pipeline Co	New York State Electric and Gas Co	03-07-90	B	1,000,000
ST90-2192	CNG Transmission Corp	Stand Energy Corp	03-07-90	G-S	2,000
ST90-2193	......do	Entrade Corp	03-07-90	G-S	4,465,680
ST90-2194	......do	Cranberry Pipeline Corp	03-07-90	B	50,000
ST90-2195	......do	......do	03-07-90	B	1,000
ST90-2196	El Paso Natural Gas Co	Santa Fe Gas Marketing Co	03-08-90	G-S	20,600
ST90-2197	Natural Gas Pipeline Co. of America	Pontchartrain Natural Gas System	03-08-90	B	100,000
ST90-2198	Tennessee Gas Pipeline Co	Rangeline Corp	03-08-90	G-S	100,000
ST90-2199	......do	Enermark Gas Gathering Corp	03-08-90	G-S	75,000
ST90-2200	Algonquin Gas Transmission Co	Entrade Corp	03-08-90	G-S	40,000
ST90-2201	Transwestern Pipeline Co	Panda Resources, Inc	03-08-90	G-S	100,000
ST90-2202	Transcontinental Gas Pipe Line Corp	PSI, Inc	03-08-90	G-S	850,000
ST90-2203	Panhandle Eastern Pipe Line Co	Amgas, Inc	03-08-90	G-S	25,000
ST90-2204	Green Canyon Pipe Line Co	Transco Energy Marketing Co	03-08-90	G-S	2,000
ST90-2205	United Gas Pipe Line Co	Texaco Gas Marketing, Inc	03-08-90	G-S	103,000
ST90-2206	Columbia Gas Transmission Corp	The Vandalia Co., Inc	03-08-90	G-S	1,000
ST90-2207	PSI Gas Systems, Inc	Panhandle Eastern Pipeline Co., et al	03-13-90	C	1,500
ST90-2208	Columbia Gas Transmission Corp	Yuma Gas Corp	03-09-90	G-S	30,000
ST90-2209	Natural Gas Pipeline Co. of America	City of Salem	03-12-90	B	450
ST90-2210	......do	Enron Industrial Natural Gas Co	03-12-90	B	40,000
ST90-2211	......do	Santa Fe Minerals, Inc	03-12-90	G-S	100,000
ST90-2212	Trunkline Gas Co	NGC Transportation, Inc	03-12-90	G-S	50,000
ST90-2213	......do	Phibro Distributors Corp	03-12-90	G-S	100,000
ST90-2214	......do	......do	03-12-90	G-S	100,000
ST90-2215	......do	PSI, Inc	03-12-90	G-S	20,000
ST90-2216	......do	Columbia Gas of KY, Inc., et al	03-12-90	B	75,000
ST90-2217	Panhandle Eastern Pipe Line Co	Columbia Gas of KY, Inc	03-12-90	B	7,000
ST90-2218	Acadian Gas Pipeline System	Sabine Pipe Line Co	03-12-90	C	15,000
ST90-2219	Mississippi River Transmission Corp	TXG Gas Marketing Co	03-13-90	G-S	30,000
ST90-2220	......do	Sun Operating Limited Partnership	03-13-90	G-S	53,750
ST90-2221	......do	Catamount Natural Gas, Inc	03-13-90	G-S	100,000
ST90-2222	......do	Access Energy Corp	03-13-90	B	60,000
ST90-2223	......do	GAF Chemical Corp	03-13-90	G-S	10,000
ST90-2224	......do	Entrade Corp	03-13-90	G-S	200,000
ST90-2225	......do	Clinton Gas Transmission, Inc	03-13-90	G-S	50,000
ST90-2226	......do	Koch Hydrocarbons Co	03-13-90	G-S	300,000
ST90-2227	Tennessee Gas Pipeline Co	Corpus Christi Transmission Co	03-13-90	B	150,000
ST90-2228	K N Energy, Inc	Northern Illinois Gas Co	03-13-90	B	20,000
ST90-2229	Natural Gas Pipeline Co. of America	Mobil Natural Gas, Inc	03-13-90	G-S	250,000
ST90-2230	Northern Natural Gas Co	Minnegasco, Inc	03-13-90	B	37,000
ST90-2231	......do	Meridian Oil Trading, Inc	03-13-90	G-S	35,000
ST90-2232	......do	Oxy U.S.A., Inc	03-13-90	G-S	38,000

Docket No.[1]	Transporter/Seller	Recipient	Date filed	Part 284 subpart	Estimated maximum daily quantity[2]
ST90-2233	......do	......do	03-13-90	G-S	17,000
ST90-2234	Trunkline Gas Co	Mobil Natural Gas, Inc	03-13-90	G-S	50,000
ST90-2235	......do	Coastal Gas Marketing Co	03-13-90	G-S	100,000
ST90-2236	......do	Transamerican Gas Transmission Corp	03-13-90	B	200,000
ST90-2237	Texas Eastern Transmission Corp	Diamond Shamrock Offshore Partners, L.P	03-13-90	G-S	82,200
ST90-2238	Acadian Gas Pipeline System	Texas Eastern Transmission Corp	03-12-90	C	350
ST90-2239	Delhi Gas Pipeline Corp	Transwestern Pipeline Co	03-14-90	C	30,000
ST90-2240	......do	Natural Gas Pipeline Co. of America	03-14-90	C	15,000
ST90-2241	......do	Panhandle Eastern Pipe Line Co	03-14-90	C	7,000
ST90-2242	......do	......do	03-14-90	C	1,500
ST90-2243	Equitrans, Inc	Phoenix Diversified Ventures, Inc	03-14-90	G-S	9,800
ST90-2244	ANR Pipeline Co	Fuel Service Group	03-13-90	G-S	2,000
ST90-2245	......do	Michigan Gas Utilities	03-13-90	B	1,300
ST90-2246	......do	Northern Illinois Gas	03-13-90	B	5,000
ST90-2247	......do	NGC Instrastate Pipeline Co	03-13-90	B	100,000
ST90-2248	......do	Iowa-Illinois Gas & Electric Co	03-13-90	B	4,300
ST90-2249	......do	Michigan Gas Utilities Co	03-13-90	B	1,000
ST90-2250	Louisiana Intrastate Gas Corp	Columbia Gulf Transmission Co	03-13-90	C	8,000
ST90-2251	United Gas Pipe Line Co	Mobil Natural Gas, Inc	03-13-90	G-S	51,500
ST90-2252	......do	Texaco, Inc	03-13-90	G-S	51,500
ST90-2253	......do	Texaco Gas Marketing, Inc	03-13-90	G-S	360,500
ST90-2254	Williston Basin Interstate P/L Co	ARCO Natural Gas Marketing, Inc	03-13-90	G-S	10,000
ST90-2255	Sabine Pipe Line Co	Orange and Rockland Utilities, Inc	03-14-90	B	500,000
ST90-2256	Columbia Gulf Transmission Co	Columbia Gas of Ky, Inc., et al	03-12-90	B	50,000
ST90-2257	......do	Elf Exploration, Inc	03-14-90	G-S	20,000
ST90-2258	......do	Total Minatome Corp	03-14-90	G-S	15,000
ST90-2259	Webb/Duval Gatherers	Natural Gas P/L Co of America, Et al	03-15-90	C	20,000
ST90-2260	K N Energy, Inc	Reliance Pipeline Co	03-15-90	B	45,000
ST90-2261	Natural Gas Pipeline Co. of America	Rangeline Corp	03-15-90	G-S	50,000
ST90-2262	Tennessee Gas Pipeline Co	Town of Bolivar	03-15-90	B	1,000,000
ST90-2263	......do	North Penn Gas Co	03-15-90	B	219
ST90-2264	Northern Border Pipeline Co	Peoples Natural Gas Co	03-15-90	B	90,000
ST90-2265	Southern Natural Gas Co	Access Energy Corp	03-15-90	G-S	100,000
ST90-2266	......do	Tex-Con Gas Pipeline Co	03-15-90	B	65,000
ST90-2267	......do	Access Energy Corp	03-15-90	G-S	100,000
ST90-2268	......do	Shell Gas Trading Co	03-15-90	G-S	33,000
ST90-2269	United Gas Pipe Line Co	Riverside Pipeline Co	03-15-90	B	65,920
ST90-2270	......do	Entrade Corp	03-15-90	G-S	103,000
ST90-2271	Algonquin Gas Transmission Co	Texas-Ohio Gas Inc	03-15-90	G-S	15,000
ST90-2272	Tennessee Gas Pipeline Co	Eagle Natural Gas Co	03-16-90	G-S	40,000
ST90-2273	Sabine Pipe Line Co	Louisiana Gas Marketing Co	03-14-90	B	100,000
ST90-2274	Columbia Gulf Transmission Co	Stellar Gas Co	03-15-90	G-S	20,000
ST90-2275	El Paso Natural Gas Co	Entrade Corp	03-16-90	G-S	103,000
ST90-2276	Williston Basin Interstate P/L Co	Neches Gas Distribution Co	03-16-90	B	86,300
ST90-2277	......do	MGTC, Inc	03-16-90	B	6,600
ST90-2278	Columbia Gulf Transmission Co	Bridgeline Gas Distribution Co., et al	03-19-90	B	35,000
ST90-2279	......do	Maverick Natural Gas Co	03-19-90	G-S	2,000
ST90-2280	......do	Exxon Corp	03-19-90	G-S	22,000
ST90-2281	......do	Stellar Gas Co	03-19-90	G-S	10,000
ST90-2282	Transcontinental Gas Pipe Line Corp	Polaris Pipeline Co	03-19-90	B	1,545,000
ST90-2283	Transok, Inc	Panhandle Eastern Pipe Line Co	03-19-90	C	40,000
ST90-2284	Houston Pipe Line Co	Natural Gas Pipeline Co. Of America	03-19-90	C	15,000
ST90-2285	......do	Longhorn Pipeline Co	03-19-90	C	20,000
ST90-2286	......do	Tennessee Gas Pipeline Co	03-19-90	C	35,000
ST90-2287	Trunkline Gas Co	Union Oil Co. of California	03-19-90	G-S	10,000
ST90-2288	......do	Union Exploration Partners, Ltd	03-19-90	G-S	110,000
ST90-2289	Panhandle Eastern Pipe Line Co	Manville Sales Corp	03-19-90	G-S	16,000
ST90-2290	Texas Eastern Transmission Corp	Northern Natural Gas Co	03-19-90	G	100
ST90-2291	asis Pipe Line Co	Transwestern Pipeline Co	03-19-90	C	25,000
ST90-2292	......do	......do	03-19-90	C	20,000
ST90-2293	Equitrans, Inc	Appollo Gas, Co	03-20-90	G-S	5,880
ST90-2294	Panhandle Eastern Pipe Line Co	Panhandle Trading Co	03-20-90	G-S	100,000
ST90-2295	......do	Northern Indiana Public Service Co	03-20-90	B	20,000
ST90-2296	......do	ANR Gathering Co	03-20-90	G-S	100,000
ST90-2297	......do	Panhandle Trading Co	03-20-90	G-S	25,000
ST90-2298	......do	KPL Gas Service Co	03-20-90	B	15,000
ST90-2299	......do	Krupp and Assoc	03-20-90	G-S	4,000
ST90-2300	Trunkline Gas Co	Conoco, Inc	03-20-90	G-S	50,000
ST90-2301	......do	Clinton Gas Transmission, Inc	03-20-90	G-S	50,000
ST90-2302	Transcontinental Gas Pipe Line Corp	Pennsylvania Gas and Water Co	03-21-90	B	340,000
ST90-2303	Superior Offshore Pipeline Co	Mobil Vanderbilt-Beaumont Pipeline Co	03-21-90	B	50,000
ST90-2304	Trunkline Gas Co	Amoco Production Co	03-21-90	G-S	40,000
ST90-2305	Sea Robin Pipeline Co	Phibro Distributors Corp	03-21-90	G-S	257,500
ST90-2306	United Gas Pipe Line Co	Texaco Gas Marketing, Inc	03-21-90	G-S	103,000
ST90-2307	......do	Arkla Energy Marketing	03-21-90	G-S	206,000
ST90-2308	Tennessee Gas Pipeline Co	Tex/Con Gas Pipeline Co	03-22-90	B	150,000
ST90-2309	El Paso Natural Gas Co	Shell Gas Trading Co	03-22-90	G-S	154,500
ST90-2310	Northern Border Pipeline Co	Midwest Gas Co	03-22-90	B	100,000
ST90-2311	Columbia Gas Transmission Corp	O & R Energy Development, Inc	03-22-90	G-S	40,000

Docket No.[1]	Transporter/Seller	Recipient	Date filed	Part 284 subpart	Estimated maximum daily quantity[2]
ST90-2312	......do	UGI Corp., et al	03-22-90	B	40,000
ST90-2313	......do	Brooklyn Union Gas Co	03-22-90	B	20,000
ST90-2314	Northern Natural Gas Co	Enron Gas Marketing, Inc	03-22-90	G-S	12,500
ST90-2315	......do	Premier Gas Co	03-22-90	G-S	30,000
ST90-2316	......do	Chevron U.S.A., Inc	03-22-90	G-S	100,000
ST90-2317	ANR Pipeline Co	NGC Intrastate Pipeline Co	03-22-90	B	100,000
ST90-2318	......do	Indiana Gas Co	03-22-90	B	2,000
ST90-2319	......do	Phibro Distributors Corp	03-22-90	G-S	250,000
ST90-2320	......do	Polaris Corp	03-22-90	B	20,000
ST90-2321	......do	Fina Oil and Chemical Co	03-22-90	G-S	100,000
ST90-2322	United Gas Pipe Line Co	Kogas Inc	03-22-90	G-S	206,000
ST90-2323	......do	Houston Gas Exchange Corp	03-22-90	G-S	103,000
ST90-2324	......do	Texaco Gas Marketing, Inc	03-22-90	G-S	41,200
ST90-2325	......do	Laser Marketing Co	03-22-90	G-S	618,000
ST90-2326	Valero Transmission, L.P	Trunkline Gas Co	03-22-90	C	50,000
ST90-2327	Black Marlin Pipeline Co	Apache Transmission Corp	03-22-90	B	50,000
ST90-2328	Orange and Rockland Utilities, Inc	Energy North, Inc	03-22-90	G-HT	50,000
ST90-2329	Channel Industries Gas Co	Natural Gas Pipeline Co. of America	03-23-90	C	25,000
ST90-2330	Midwestern Gas Transmission Co	Acacia Natural Gas Corp	03-23-90	B	25,000
ST90-2331	MIGC, Inc	MGTC, Inc	03-22-90	B	12,000
ST90-2332	Natural Gas Pipeline Co. of America	Northern Indiana Public Service Co	03-23-90	B	10,000
ST90-2333	Northwest Pipeline Corp	Penntech, Inc	03-23-90	G-S	5,000
ST90-2334	......do	Kimball Energy Corp	03-23-90	G-S	5,000
ST90-2335	......do	Paiute Pipeline Co	03-23-90	G	3,000
ST90-2336	Williams Natural Gas Co	City of Oronogo	03-23-90	B	13
ST90-2337	Williston Basin Interstate P/L Co	Montana-Dakota Utilities Co	03-23-90	B	142,465
ST90-2338	Valero Transmission, L.P	Natural Gas Pipeline Co. of America	03-23-90	C	27,390
ST90-2339	......do	El Paso Natural Gas Co	03-23-90	C	2,500
ST90-2340	Transtexas Pipeline	......do	03-26-90	C	200
ST90-2341	Valero Transmission, L.P	......do	03-26-90	C	1,500
ST90-2342	Transcontinental Gas Pipe Line Corp	Pennsylvania Gas and Water Co	03-26-90	B	420,000
ST90-2343	United Gas Pipe Line Co	Texaco Gas Marketing, Inc	03-26-90	G-S	103,000
ST90-2344	Mississippi River Transmission Corp	American National Can Co	03-26-90	G-S	10,000
ST90-2345	......do	PSI, Inc	03-26-90	G-S	200,000
ST90-2346	......do	NGC Intrastate Pipeline Co	03-26-90	B	150,000
ST90-2347	......do	Energy Dynamics, Inc	03-26-90	G-S	50,000
ST90-2348	......do	Arco Natural Gas Corp	03-26-90	G-S	100,000
ST90-2349	......do	Amoco Production Co	03-26-90	G-S	100,000
ST90-2350	......do	Mountain Front Pipeline Corp., Inc	03-26-90	B	30,000
ST90-2351	......do	PSI, Inc	03-26-90	G-S	200,000
ST90-2352	......do	......do	03-26-90	G-S	200,000
ST90-2353	Enogex Inc	ANR Pipeline Co	03-26-90	C	10,000
ST90-2354	Williams Natural Gas Co	Rangeline Corp	03-26-90	G-S	900
ST90-2355	......do	Golden Gas Energies, Inc	03-26-90	B	400
ST90-2356	Equitrans, Inc	O & R Energy Co	03-26-90	G-S	19,600
ST90-2357	K N Energy, Inc	Nebraska Municipal Power Pool	03-27-90	G-S	11,500
ST90-2358	Trunkline Gas Co	Transamerican Gas Transmission Corp	03-27-90	B	200,000
ST90-2359	......do	Bishop Pipeline Corp	03-27-90	B	20,000
ST90-2360	......do	City of Wayne City	03-27-90	B	2,000
ST90-2361	......do	Memphis Light, Gas and Water Division	03-27-90	B	50,000
ST90-2362	......do	V.H.C. Gas System, L.P	03-27-90	G-S	200,000
ST90-2363	Tennessee Gas Pipeline Co	CNG Transmission Corp	03-27-90	G	15,000
ST90-2364	Midwestern Gas Transmission Co	Peoples Natural Gas Co	03-27-90	B	100,000
ST90-2365	Texas Gas Transmission Corp	Indiana Gas Co., Inc	03-27-90	B	5,000
ST90-2366	......do	Indiana Natural Gas Corp	03-27-90	B	7,495
ST90-2367	......do	Ohio River Pipeline Corp	03-27-90	B	500
ST90-2368	Colorado Interstate Gas Co	Coastal States Gas Transmission Co	03-27-90	B	15,000
ST90-2369	......do	North Central Oil Corp	03-27-90	G-S	25,000
ST90-2370	......do	Anadarko Trading Co	03-27-90	G-S	25,000
ST90-2371	......do	North Central Oil Corp	03-27-90	G-S	25,000
ST90-2372	......do	......do	03-27-90	G-S	25,000
ST90-2373	......do	......do	03-27-90	G-S	25,000
ST90-2374	......do	Union Pacific Fuels, Inc	03-27-90	G-S	25,000
ST90-2375	ANR Pipeline Co	Coastal Gas Marketing Co	03-27-90	G-S	605,500
ST90-2376	......do	Iowa-Illinois Gas & Electric Co	03-27-90	B	450,000
ST90-2377	......do	Entrade Corp	03-27-90	G-S	250,000
ST90-2378	......do	Centran Corp	03-27-90	G-S	40,000
ST90-2379	......do	Wisconsin Public Service Corp	03-27-90	B	25,000
ST90-2380	ANR Pipeline Co	Louisiana Gas Marketing Co	03-27-90	B	50,000
ST90-2381	Northwest Pipeline Corp	Schalk Development Co	03-28-90	G-S	1,250
ST90-2382	......do	Gas Ventures Inc. of Colorado	03-28-90	G-S	5,000
ST90-2383	Arkla Energy Resources	Leclede Gas Co	03-28-90	G-S	20,000
ST90-2384	......do	Reliance Gas Pipeline Co	03-28-90	B	15,000
ST90-2385	Transcontinental Gas Pipe Line Corp	BP Gas Inc	03-28-90	G-S	848,000
ST90-2386	Green Canyon Pipe Line Co	Tejas Power Corp	03-28-90	G-S	100,000
ST90-2387	......do	Tenngasco Corp	03-28-90	G-S	160,000
ST90-2388	Stingray Pipeline Co	......do	03-28-90	K-S	100,000
ST90-2389	Natural Gas Pipeline Co. of America	Texaco Gas Marketing, Inc	03-28-90	G-S	100,000
ST90-2390	ANR Pipeline Co	Tex/Con Gas Pipeline Co	03-28-90	B	50,000

Docket No.[1]	Transporter/Seller	Recipient	Date filed	Part 284 subpart	Estimated maximum daily quantity [2]
ST90-2391	......do	West Ohio Gas Co	03-28-90	B	10,000
ST90-2392	......do	Northern Illinois Gas Co	03-28-90	B	150,000
ST90-2393	......do	Texline Gas Co	03-28-90	B	100,000
ST90-2394	......do	Ohio Gas Co	03-28-90	B	100
ST90-2395	......do	Tex/Con Gas Pipeline Co	03-28-90	B	50,000
ST90-2396	......do	Coastal States Gas Transmission Co	03-28-90	B	125,000
ST90-2397	......do	Michigan Consolidated Gas Co	03-28-90	B	1,000
ST90-2398	......do	Tex/Con Gas Pipeline Co	03-28-90	B	50,000
ST90-2399	......do	Northwestern Mutual Life Insurance Co	03-28-90	G-S	11,200
ST90-2400	......do	Northern Illinois Gas Co	03-28-90	B	150,000
ST90-2401	......do	Mobil Vanderbilt-Beaumont Pipeline Co	03-28-90	B	50,000
ST90-2402	Tennessee Gas Pipeline Co	Neches Gas Distribution Co	03-28-90	B	30,000
ST90-2403	Columbia Gas Transmission Corp	Mountaineer Gas Co	03-28-90	B	30,000
ST90-2404	Northern Natural Gas Co	Nebraska Municipal Power Pool	03-29-90	G-S	9,018
ST90-2405	Natural Gas Pipeline Co. of America	Union Carbide Industrial Gases, Inc	03-29-90	B	6,000
ST90-2406	Moraine Pipeline Co	Wisconsin Natural Gas Co	03-29-90	B	150,000
ST90-2407	Tennessee Gas Pipeline Co	Transcontinental Gas Pipe Line Corp	03-29-90	G	1,000,000
ST90-2408	......do	Iesco Pipeline, Inc	03-29-90	B	30,000
ST90-2409	Transwestern Pipeline Co	Amoco Gas Co	03-29-90	B	100,000
ST90-2410	Transcontinental Gas Pipe Line Corp	South Jersey Gas Co	03-29-90	B	12,431
ST90-2411	......do	Oxy U.S.A., Inc	03-29-90	G-S	1,000,000
ST90-2412	CNG Transmission Corp	Valley Gas Co	03-29-90	B	10,000
ST90-2413	Pelican Interstate Gas System	Natural Gas Pipeline Co. of America	03-30-90	K	150,000
ST90-2414	Natural Gas Pipeline Co. of America	Go Oil Corp	03-30-90	G-S	150
ST90-2415	......do	Mobil Vanderbilt-Beaumont Pipeline Co	03-30-90	B	100,000
ST90-2416	......do	Coastal States Gas Transmission Co	03-30-90	B	100,000
ST90-2417	United Gas Pipe Line Co	Kerr-Mcgee Corp	03-30-90	G-S	92,700
ST90-2418	Enogex Inc	Williams Natural Gas Co	03-30-90	C	10,000
ST90-2419	......do	Phillips Gas Pipeline Co	03-30-90	C	50,000
ST90-2420	Transok, Inc	......do	03-30-90	C	25,000
ST90-2421	......do	......do	03-30-90	C	25,000
ST90-2422	Transcontinental Gas Pipe Line Corp	City of Union	03-30-90	B	2,100,000
ST90-2423	Mississippi River Transmission Corp	Alton Comm. Unit School Dist. No. 11	03-30-90	G-S	2,000
ST90-2424	......do	Colony Natural Gas Corp	03-30-90	G-S	100,000
ST90-2425	......do	Texas Ohio Gas, Inc	03-30-90	G-S	5,000
ST90-2426	......do	Container Products, Inc	03-30-90	G-S	1,281
ST90-2427	......do	Delhi Gas Pipeline Corp	03-30-90	B	50,000
ST90-2428	......do	Kimball Resources, Inc	03-30-90	G-S	25,000
ST90-2429	......do	Transok, Inc	03-30-90	B	3,588
ST90-2430	Texas Eastern Transmission Corp	Ugi Corp	03-30-90	B	20,000
ST90-2431	......do	Riverway Gas Pipeline Co	03-30-90	B	150,000
ST90-2432	......do	Louisiana Resources Co	03-30-90	B	100,000
ST90-2433	......do	Allied Gas Co	03-30-90	B	15,000
ST90-2434	Louisiana Resources Co	Tuscaloosa Pipeline Co	03-30-90	C	10,000
ST90-2435	Southern Natural Gas Co	Tex-Con Gas Pipeline Co	03-30-90	B	85,000
ST90-2436	......do	Coastal Gas Marketing Co	03-30-90	G-S	200,000
ST90-2437	......do	Exxon Corp	03-30-90	G-S	100,000
ST90-2438	......do	Coastal Gas Marketing Co	03-30-90	G-S	200,000
ST90-2439	......do	Tex/Con Gas Pipeline Co	03-30-90	B	85,000
ST90-2440	......do	......do	03-30-90	G-S	50,000
ST90-2441	Superior Offshore Pipeline Co	Louisiana Gas System, Inc	03-30-90	B	100
ST90-2442	Tennessee Gas Pipeline Co	Delta Natural Gas Co	03-30-90	B	30,000
ST90-2443	......do	Equitable Gas Co	03-30-90	B	1,000,000
ST90-2444	......do	Alatenn Energy Marketing Co., Inc	03-30-90	G-S	22,000
ST90-2445	Transcontinental Gas Pipe Line Corp	Long Island Lighting Co	03-30-90	B	25,000
ST90-2446	......do	Public Service Co. of N. Carolina, Inc	03-30-90	B	370,500
ST90-2447	......do	North Carolina Natural Gas Corp	03-30-90	B	132,000
ST90-2448	......do	Atlanta Gas Light Co	03-30-90	B	25,000
ST90-2449	......do	......do	03-30-90	B	180,000
ST90-2450	......do	NGC Intrastate Pipeline Co	03-30-90	B	2,516,700
ST90-2451	......do	Wisconsin Southern Gas Co., et al	03-30-90	B	4,380,000

[1] Notice of transactions does not constitute a determination that filings comply with Commission regulations in accordance with order No. 436 (Final Rule and Notice requesting supplemental comments, 50 FR 42,372, 10/10/85).

[2] Estimated maximum daily volumes includes volumes reported by the filing company in MMBTU, MCF and DT.

[FR Doc. 90-10723 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TQ90-3-20-000]

Algonquin Gas Transmission Co., Proposed Changes in FERC Gas Tariff

May 3, 1990.

Take notice that Algonquin Gas Transmission Company ("Algonquin") on May 1, 1990, tendered for filing proposed changes in its FERC Gas Tariff, Second Revised Volume No. 1, as set forth in the revised tariff sheets:

Proposed to Be Effective June 1, 1990

Primary

Forty-first Revised Sheet No. 201
Third Revised Sheet No. 201A
Forty-second Revised Sheet No. 203
Thirty-eighth Revised Sheet No. 204
Thirty-fifth Revised Sheet No. 205
First Revised Sheet No. 206
First Revised Sheet No. 207

Alternate

Alternate Forty-first Revised Sheet No. 201
Alternate Third Revised Sheet No. 201A
Alternate Forty-second Revised Sheet No. 203
Alternate Thirty-eighth Revised Sheet No. 204
Alternate Thirty-fifth Revised Sheet No. 205

Algonquin states that pursuant to section 17 of the General Terms and Conditions of its FERC Gas Tariff

Second Revised Volume No. 1, it is filing the listed tariff sheets to update its latest estimate of purchased gas and standby service costs based upon changes by its suppliers in the rates of the services underlying Algonquin's sales rate schedules.

Algonquin further states that it is filing both Primary and Alternate rate sheets. The Primary rate sheets are filed should the Commission approve Algonquin's Contract Restructuring Proposal and the Alternate rate sheets are filed should the Commission suspend the Proposal or not act in time to permit the Primary sheets to be accepted. In both the Primary and Alternate tariff sheets, the effect of the changes in costs represent an increase in Algonquin's demand rate of 2.4¢ per MMBtu. The commodity rate increases by 12.47¢ per MMBtu in the case of the Primary rate sheets and by 11.16¢ in the case of the Alternate tariff sheets.

Algonquin notes that copies of this filing were served upon each affected party and interested state commissions.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with §§ 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests should be filed on or before May 11, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10725 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

Before Commissioners: Martin L. Allday, Chairman; Charles A. Trabandt, Elizabeth Anne Moler and Jerry J. Langdon.

[Docket No. SP90-20-000]

Order Reinstating and Extending Special Permission Allowing Oil Pipelines To Cancel Matters Under Suspension; Association of Oil Pipelines

March 23, 1990.

On February 10, 1982, the Commission issued an order in Special Permission Docket No. SP82-6-000 [1] that extended an earlier order granting oil pipeline companies special permission to cancel tariffs under suspension or postponement, subject to certain conditions. The 1982 order extended the special permission for a three-year period,[2] that expired on February 11, 1985. Pursuant to a request by the Association of Oil Pipelines (AOPL), the special permission was extended again for five years until February 13, 1990 in an order dated November 21, 1984.[3] Because no request for extension was filed prior to that date, the special permission was allowed to expire.

On February 21, 1990, the AOPL filed to have the special permission reinstated for an additional five years or until such time as the Commission issues a final rule adopting the terms of the special permission. The AOPL supports its request for extension by arguing that withdrawal and cancellation of suspended or postponed oil pipeline tariff matters, including the automatic termination of any related investigation, will allow pipelines to avoid unnecessary and costly proceedings and will be beneficial to the general public interest.

The Commission finds that good cause exists for reinstating and extending FERC Special Permission No. SP82-6-000 for the requested five-year period or until similar permission is addressed in a final Commission regulation, whichever occurs first. The Commission adopts here any conditions placed on the special permission in the November 21, 1984 order.

The Commission Orders

(A) Except as provided in paragraph (B), all common carriers by pipeline in interstate or foreign commerce are hereby authorized to issue, post and file supplements or pages to provide for the cancellation of matter under suspension or previously suspended matter which is under postponement, to be made effective prior to the date on which the matter was suspended or postponed (whichever is later) and upon not less than 10 days notice; provide that the carrier shall, concurrently with the filing of such cancellation:

(1) Notify all parties of record in the proceeding and the Office of the Secretary of the Commission in Washington, DC 20426, by telegram or first class mail, referring to the FERC docket number and to the FERC number of each tariff included in the suspension and to the number of the supplement or revised page(s) effecting the cancellation and the effective date thereof; and

(2) Certify by first class mail to the Office of the Secretary, that all parties have been notified and furnish a signed copy of such notification to the Oil Pipeline Board as an attachment to the letter of transmittal accompanying the copies of the publication(s) for official filing.

(B) This permission shall not be used as authority to cancel a suspended or postponed matter:

(1) Where the supplement announcing the suspension as required by 18 CFR 341.9(k) has not been filed;

(2) Where such cancellation cannot be made effective on or prior to the last day of the suspension or postponement period, or on or before the date a final decision is reached by the Commission, whichever is earlier;

(3) Where a carrier cancels only a portion of the matter in a tariff which is under suspension in a particular FERC docket; or

(4) Where there is matter held in force during the period of suspension (or postponement), which matter had been specifically indicated to be cancelled by the suspended (or postponed) provisions, and this matter is not brought forward without change into the supplement or onto the loose-leaf page amendment (to a loose-leaf tariff) which direct the cancellation of the suspended (or postponed) provisions or into a new tariff concurrently and on the same notice.

(C) The terms of the orders of suspension and 18 CFR 341.9(k) are hereby modified to the extent necessary to permit the cancellation of suspended matter under authority of this permission, and 18 CFR 314.9(e) is hereby waived as to supplements to bound tariffs which contain only matter published under authority of this permission and to permit the filing of supplement to a loose-leaf tariff to the extent authorized in paragraph (E).

(D) Where the matter to be cancelled is in a bound tariff, the supplement issued hereunder providing for the cancellation of suspended (or postponed) matter shall also direct the cancellation of the supplement (if it contains no other matter), item or provisions announcing the suspension or postponement, as the case may be.

(E) Where the matter to be cancelled is in a loose-leaf tariff, the cancellation shall be effectd by the issuance of a loose-leaf page amendment or

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[1] 18 FERC ¶ 61,140 (1982).

[2] That extension followed an earlier one-year extension by the Commission of ICC Special Permission No. 76-2730, issued February 11, 1981. 14 FERC ¶ 61,120 (1981)

[3] Association of Oil Pipelines, 29 FERC ¶ 61,216 (1984).

amendments, and the cancellation of the supplement announcing the suspension or postponement shall be accomplished by the reissue of the check sheet to the tariff, effective concurrently with the cancellation of the suspended or postponed matter. The cancellation may be accomplished by supplement if a loose-leaf tariff containing only suspended (or postponed) matter is to be cancelled.

(F) No new matter shall be published, nor the effective date of any matter advanced to an earlier date, upon less than statutory notice, under authority of this permission.

(G) All matter published hereunder shall bear the appropriate following notation:

(Where matter is under suspension, not postponement) "Cancellation of suspended matter in FERC Docket No. (here insert docket number) authorized; issued on ten days' notice; FERC Permission No. SP90-20-000."

(Where matter is under postponement) "Cancels matter under postponement in FERC Docket No. (here insert docket number); issued on ten days' notice; FERC Permission No. SP90-20-000."

(H) Publication of provisions hereunder should comply with the requirements of 18 CFR 341.8 and 341.9 including cancellation by notice, where the matter being cancelled is in a tariff that contains only matter under suspension or postponement.

(I) This permission does not, except as expressly indicated, waive or modify any outstanding formal order of the Commission, any of the requirements of its published rules relative to the construction and filing of tariff publications or any of the provisions of the Interstate Commerce Act, nor does it authorize the filing of any publications other than those refererred to herein.

(J) This permission shall continue in force and effect to and including March 23, 1995, or until this Special Permission is addressed in a final Commission regulation, whichever occurs first.

By the Commission.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10724 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TQ90-6-63-000]

Carnegie Natural Gas Co.; Proposed Changes in FERC Gas Tariff

May 3, 1990.

Take notice that on April 27, 1990, Carnegie Natural Gas Company ("Carnegie") tendered for filing, as an Out-of-Cycle Purchase Gas Adjustment ("PGA") with a proposed effective date of May 1, 1990, the following proposed tariff sheets to its FERC Gas Tariff:

Fifth Revised Sheet No. 8
Fifth Revised Sheet No. 9

Carnegie states that, pursuant to the PGA clause in its FERC Gas Tariff, it proposes to adjust its rates effective May 1, 1990 to reflect a $.0898 per Dth decrease in the applicable commodity components of its LVWS and CDS Rate Schedules, together with a $.0107 increase in the D-1 components, and a $.0001 increase in the D-2 components of these Rate Schedules. The proposed rate decrease for the LVIS Rate Schedule is $.0889 per Dth, and the proposed rate increase for the DCA is $.0003 per Dth. Carnegie also reflects a Standby Adjustment of $.1874 per Dth.

Carnegie requests waiver of the 30-day notice requirement otherwise applicable to Out-of-Cycle PGA filings based on its assertions that: (1) The overall effect of the filing is a significant rate decrease; (ii) the increase in the demand charges are a result of increases in the demand charges of Texas Eastern Transmission Corp., which is Carnegie's sole pipeline supplier; and (iii) protests, if any, may be considering in Carnegie's next Annual PGA docket.

Carnegie states that copies of its filing were served on all of its jurisdictional customers and interested state commissions.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with §§ 385.211 and 385.214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). All such motions or protests should be filed on or before May 10, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10726 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TQ90-4-22-000]

Proposed Changes in FERC Gas Tariff; CNG Transmission Corp.

May 3, 1990.

Take notice that CNG Transmission Corporation ("CNG"), on May 1, 1990, pursuant to section 4 of the Natural Gas Act, part 154 of the Commission's regulations (18 CFR part 154), and section 12 of the General Terms and Conditions of CNG's tariff, filed the following revised tariff sheet to Original Volume No. 1 of its FERC Gas Tariff:

Nineteenth Revised Sheet No. 31

The primary filing would decrease CNG's RQ/CD commodity rate by 8.68 cents per dekatherm, decrease the D-1 demand rate by 3 cents per dekatherm, and decrease the D-2 demand rate by .36 cents per dekatherm from the rates shown on Alternate Seventeenth Revised Sheet No. 31. Other rates will change correspondingly. The filing, CNG's regularly scheduled quarterly PGA, is tendered to become effective on June 1, 1990.

CNG states that copies of the filing were served upon CNG's sales customers as well as interested state commissions.

Any person desiring to be heard or to protest said filing should file a protest or motion to intervene with the Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, in accordance with Rules 214 and 211 of the Commission's Rules of Practice and Procedure 18 CFR, §§ 385.214 and 285.211. All motions or protests should be filed on or before May 11, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10727 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. RP90-111-000]

Proposed Changes in FERC Gas Tariff; East Tennessee Natural Gas Co.

May 3, 1990.

Take notice that on May 1, 1990, East Tennessee Natural Gas Company (East Tennessee) tendered for filing, as amended, First Revised Volume No. 1

and Original Volume No. 1A of East Tennessee's FERC Gas Tariff. East Tennessee requests that the Commission suspend the rates and tariff sheets for one day so that they become effective on June 1, 1990.

East Tennessee states that the purpose of the filing is to reflect increased costs incurred by East Tennessee as well as a restructuring of its operations and service options in accordance with increased competitive conditions including those which will arise pursuant to East Tennessee's application for a certificate of public convenience and necessity to perform open access transportation pursuant to subpart G of part 284 of the Commission's regulations, which East Tennessee filed on May 1, 1990 concurrently with the filing in the instant proceeding. The proposed rates reflect an annual non-gas revenue level increase of approximately $52.2 million.

The transportaion services under subpart G of part 284 will be provided under proposed new firm (FT) and interruptible (IT) Rate Schedules to East Tennessee's FERC Gas Tariff. East Tennessee also proposes to rename Rate Schedule I to Rate Schedule SMS (Separately Metered Sales Service) to distinguish the sales service provided thereunder from generally available interruptible services. East Tennessee also proposes to eliminate Rate Schedules CR and G which replicate services provided under Rate Schedule CD.

East Tennessee states that the proposed tariff sheets implement sales and transportation rates designed to effectuate the objectives expressed in the Commission's Policy Statement on Rate Design issued in Docket No. PL89-2-000. Among other matters, the rate design methods underlying the filing establish one-part demand rates, allocate demand costs on the basis of customers maximum daily quantities (MDQ) for firm services, implement seasonal and mileage sensitive zone rates, allocate demand costs to Rate Schedules IT and SMS on a 100 percent load factor basis to establish the Authorized Overrun Service rate at the applicable commodity rate, implement contract adjustments under certain conditions, and remove the partial requirements provision of the SG Rate Schedule with associated rate changes which will provide greater supply options to the SG customers.

East Tennessee states that copies of the filing were served upon East Tennessee's affected customers and interested state regulatory commissions.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426 in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure. All such motions or protests should be filed on or before May 11, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of East Tennessee's filings are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10728 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket Nos. TA90-1-33-000]

Proposed Change in Rates; El Paso Natural Gas Co.

May 3, 1990.

Take notice that on May 1, 1990, El Paso Natural Gas Company ("El Paso") tendered for filing pursuant to part 154 of the Federal Energy Regulatory Commission's ("Commission") Regulations Under the Natural Gas Act, a notice of an Annual Adjustment in Rates, to be effective July 1, 1990, for jurisdictional gas service rendered to sales customers served by El Paso's interstate gas transmission system under rate schedules affected by and subject to section 19, Purchased Gas Cost Adjustment Provision ("PGA"), of the General Terms and Conditions in El Paso's FERC Gas Tariff, Second Revised Volume No. 1.

El Paso states that it has tendered tariff sheets in compliance with its PGA provisions which reflect a net decrease of $0.1192 per dth below those rates reflected in El Paso's last Quarterly Adjustment in Rates at Docket No. TQ90-3-33-000, effective April 1, 1990. This net decrease is comprised of a Current Adjustment of ($0.1142) per dth and an Account 191 Surcharge Adjustment of ($0.0050). The one-part rate schedules are further reduced by $0.3365 as a result of eliminating the Special Liquids Surcharge.

In accordance with ordering paragraph (D) of the Commission's March 30, 1990 order, El Paso has included a Surcharge Adjustment of ($0.0050) per dth for the deferral balance of Account 191 from July 1, 1989 through February 28, 1990 to be effective from July 1, 1990 through June 30, 1991.

Inasmuch as the 36-month recovery period authorized by the settlement at Docket No. RP86-157-000 expires June 30, 1990, El Paso has eliminated the Special Liquids Surcharge and monthly direct billing amounts from the tendered tariff sheets. However, pursuant to the Settlement Agreement as approved by the Commission's order issued September 29, 1987, El Paso states that in its next Quarterly Adjustment in rates effective October 1, 1990, it will include a Special Liquids Surcharge to collect any over- or undercollections as of June 30, 1990 to be collected over the six (6) month period ending March 31, 1991.

El Paso states that copies of the filing were served upon each person on the official service list as compiled by the Secretary in Docket No. RP86-157-000, all of El Paso's interstate pipeline system sales customers and all interested state regulatory commissions.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with §§ 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests should be filed on or before May 24, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestant parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10729 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TQ90-7-24-000]

Proposed Change in FERC Gas Tariff; Equitrans, Inc.

May 3, 1990.

Take notice that Equitrans, Inc. (Equitrans) on May 1, 1990 tendered for filing with the Federal Energy Regulatory Commission (Commission) the following tariff sheets to its FERC Gas Tariff, Original Volume No. 1, to become effective May 1, 1990:

Fourth Revised Substitute Fourteenth Revised Sheet No. 10

Fifth Revised Sixth Revised Sheet No. 34

Equitrans is exercising its option to file an Out-of-Cycle Purchased Gas Cost Adjustment (PGA) to recover standby

costs under Texas Eastern Transmission Corporation's (TETCO) Rate Schedule CD-1. Equitrans received authorization to track these costs from the Commission's Order in *Equitrans, Inc.*, 48 FERC ¶ 61,278 (1989).

The changes proposed in this filing consist of current adjustments for the components of Equitrans' sales rates representing the change in Equitrans' last scheduled PGA filing effective March 1, 1990 in Docket No. TQ90-6-24-000. The current adjustments to the D(1) and D(2) demand cost are a decrease equal to $0.6689 per dekatherm (Dth) and $0.0128 per Dth, respectively. The commodity adjustment is a decrease of $0.7344 per Dth.

The reasons for the decrease in gas cost are the inclusion of spot market purchases for the month of May, 1990 and the election of standby service.

Pursuant to § 154.51 of the Commission's regulations, Equitrans requests that the Commission grant any waivers necessary to permit the tariff sheets contained herein to become effective on March 20, 1990.

Equitrans states that a copy of its filing has been served upon its purchasers and interested state commissions.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with §§ 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests should be filed on or before May 11, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the public reference room.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10730 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TQ90-8-24-000]

Proposed Change in FERC Gas Tariff; Equitrans, Inc.

May 3, 1990.

Take notice that Equitrans, Inc. (Equitrans) on May 1, 1990 tendered for filing with the Federal Energy Regulatory Commission (Commission) the following tariff sheets to its FERC Gas Tariff, Original Volume No. 1, to become effective June 1, 1990.

Fifth Revised Substitute Fourteenth Revised Sheet No. 10
Sixth Revised Sixth Revised Sheet No. 34

Equitrans hereby submits its regularly scheduled Quarterly Purchased Gas Adjustment filing in accordance with §§ 154.308 and 154.304 of the Commission's regulations and section 19 of Equitrans' FERC Gas Tariff, Original Volume No. 1.

The changes proposed in this filing consist of current adjustments for the components of Equitrans' sales rates representing the change in Equitrans' last scheduled PGA filing effective May 1, 1990 in Docket No. TQ90-7-24-000. The current adjustments to the D(1) and D(2) demand cost are an increase equal to $0.7179 per dekatherm (Dth) and $0.0129 per Dth, respectively. The commodity adjustment is an increase of $0.4849 per Dth.

Equitrans states that a copy of its filing has been served upon its purchasers, interested state commissions, and upon each party on the service list of Docket No. CP86-676-000.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with §§ 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests should be filed on or before May 11, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the public reference room.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10731 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TM90-3-34-000]

Proposed Changes in FERC Gas Tariff; Florida Gas Transmission

May 3, 1990.

Take notice that on April 30, 1990, Florida Gas Transmission Company (FGT) tendered for filing to become part of FGT's FERC Gas Tariff, First Revised Volume No. 1, the following tariff sheet to be effective June 1, 1990:

20th Revised 37th Revised Sheet No. 8

FGT states that such revised tariff sheet is being filed pursuant to section 27 of the General Terms and Conditions of FGT's FERC Gas Tariff, First Revised Volume No. 1, which establishes a mechanism to flowthrough the fixed charge allocation of buyout and buydown costs billed to FGT by Southern Natural Gas Company.

FGT submits that the effect of this adjustment is an increase of .099¢/therm for Rate Schedules G and I.

FGT further states that in the event FGT's new transportation services, which are pending before the Commission in Docket No. RP89-50 *et al.*, become effective during the period covered by the instant filing, FGT reserves the right to file to make any necessary changes to the instant tariff sheet.

FGT states that a copy of its filing has been served on all customers receiving gas under its FERC Gas Tariff, First Revised Volume No. 1, and interested State commissions.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426 in accordance with §§ 385.211 and 385.214 of the Commission's Rules and Regulations. All such motions or protests should be filed on or before May 10, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene.

Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10732 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket Nos. RP87-86-013, RP86-11-010, RP85-11-027 (Phase II), RP89-110-005, RP89-111-005]

K N Energy, Inc.; Proposed Changes in FERC Gas Tariff

May 3, 1990.

Take notice that K N Energy, Inc. ("K N") on April 27, 1990 tendered for filing revised tariff sheets in compliance with the Commission's April 12, 1989 Order Accepting for Filing and Suspending Tariff Sheets, Subject to Refund and Conditions, Granting Waiver, and Establishing Hearing Procedures. The

proposed effective date for these tariff sheets is April 1, 1989.

Copies of the filing were served upon K N's jurisdictional customers, interested public bodies, and all parties on the official service list.

Any person desiring to protest with reference to this filing should, on or before May 10, 1990, file with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, a protest in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken, but will not serve to make the protestants parties to the proceedings. Persons that are already parties to this proceeding need not file a motion to intervene in this matter. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,
Secretary.

[FR Doc. 90-10733 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TQ90-3-15-000]

Mid Louisiana Gas Co.; Proposed Change of Rates

May 3, 1990.

Take notice that Mid Louisiana Gas Company (Mid Louisiana) on May 1, 1990, tendered for filing as part of First Revised Volume No. 1 of its FERC Gas Tariff the following Tariff Sheet to become effective June 1, 1990:

	Superseding
Seventy-Third Revised Sheet No. 3a	Seventy-Second Revised Sheet No. 3a.

Mid Louisiana states that the purpose of the filing of Seventy-Third Revised Sheet No. 3a is to reflect a $.7007 per MCF decrease in its current cost of gas.

This filing is being made in accordance with section 19 of Mid Louisiana's FERC Gas Tariff. Copies of this filing have been mailed to Mid Louisiana's Jurisdictional Customers and interested State Commissions.

Any person desiring to be heard or to protest said filing should file a Petition to Intervene or Protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426 in accordance with §§ 1.8 and 1.10 of the Commission's Rules of Practice and Procedure (18 CFR 1.8 and 1.10). All such petitions or protests should be filed on or before May 11, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a Petition to Intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,
Secretary.

[FR Doc. 90-10734 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. RP90-106-000]

Mississippi River Transmission Corp.; Petition for Waiver

May 3, 1990.

Take notice that on April 26, 1990, Mississippi River Transmission (MRT) filed a petition for waiver pursuant to Rule 207 of the Commission's Rules of Practice and Procedure, 18 CFR 385.207, requesting authorization to waive the availability provisions of Rate Schedule SGS-1 of its FERC Gas Tariff, Second Revised Volume No. 1, effective January 2, 1990.

MRT states that its commitment to provide a waiver of the availability provisions of Rate Schedule SGS-1 arose out of a hearing for a temporary restraining order, held in conjunction with an antitrust action filed by the City of Red Bud, Illinois, in federal district court in Illinois. MRT states that as an accommodation to Red Bud in the antitrust action, MRT agreed to the temporary waiver of its tariff provisions pending action by the Commission on a new SGS rate schedule. MRT filed the new rate schedule with the Commission on January 26, 1990, in an effort to address and resolve the concerns which gave rise to the filing of the antitrust action. MRT states that the requested waiver would allow MRT's smaller sale-for-resale customers to continue purchasing gas pursuant to the provisions of Rate Schedule SGS-1 while utilizing interruptible open-access transportation services during the period in which action on MRT's rehearing request of the Commission's March 29, 1990 order in Docket Nos. RP90-75-000 and RP90-248-000 is pending.

MRT further states that if the requested waiver is granted, SGS customers utilizing interruptible transportation could continue purchasing from MRT under a one-part volumetric rate structure while the Commission has an opportunity to reconsider whether subjecting those customers to a two-part rate is appropriate. MRT states that other customers would not be unduly prejudiced because MRT would absorb any revenue under-collections resulting from the Commission's grant of the requested waiver during the period in which the waiver is effective.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, in accordance with §§ 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests should be filed on or before May 11, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the public reference room.

Lois D. Cashell,
Secretary.

[FR Doc. 90-10736 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket Nos. TA90-1-25-001]

Mississippi River Transmission Corp.; Proposed Change in FERC Gas Tariff

May 3, 1990.

Take notice that on April 27, 1990, Mississippi River Transmission Corporation (MRT) tendered for filing the Substitute Forty-Fourth Revised Sheet No. 4, Substitute Third Revised Sheet No. 4.1, and Substitute Third Revised Sheet No. 4.2 to its FERC Gas Tariff, Second Revised Volume No. 1, to be effective June 1, 1990. The tariff sheets reflect the correction of an inadvertent error made in MRT's Annual PGA filing's tariff sheets (Docket No. YA90-1-25-000). MRT used an incorrect Demand D-1 surcharge rate of $(.264) per MMBtu instead of the correct June 1, 1990 Demand D-1 surcharge rate of $(.356) per MMBtu. The tariff sheets effective June 1, 1990 reflect the correct surcharge rate of $(.356) per MMBtu.

MRT states that a copy of this filing has been served on all of MRT's jurisdictional sales customers and the State Commissions of Arkansas, Missouri, and Illinois.

Any person desiring to protest said filing should file a protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with Rules 214 and 211 of the Commission's Rules of Practice and

Procedure (18 CFR 385.214, 385.211 (1989)). All such protests should be filed on or before May 10, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Persons that are already parties to this proceeding need not file a motion to intervene in this matter. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10736 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TQ90-2-26-000]

Natural Gas Pipeline Co. of America; Changes in Rates

May 3, 1990.

Take notice that on April 30, 1990, Natural Gas Pipeline Company of America (Natural) tendered for filing as part of its FERC Gas Tariff, Third Revised Volume No. 1 (Tariff the below listed tariff sheets to be effective June 1, 1990:

Thirty-Fourth Revised Sheet No. 5C
Fourth Revised Sheet No. 5C.1
Fourth Revised Sheet No. 5C.2

Natural states the purpose of the instant filing is to implement Natural's quarterly PGA unit rate adjustment calculated pursuant to section 18 of the General Terms and Conditions of Natural's Tariff.

The overall effect of the quarterly adjustment when compared to the gas cost component in Natural's PGA filing in Docket No. TA90-1-26 effective March 1, 1990, is a decrease in the DMQ-1 commodity charge of 55.43¢, and increases in the DMQ-1 demand and entitlement charges of $.04 and $.0039, respectively. Appropriate adjustments have been made with respect to Natural's other rate schedules.

Natural states that copies of the filing is being mailed to Natural's jurisdictional sales customers and interested state regulatory agencies.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with §§ 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests must be filed on or before May 10, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10737 Filed 5-8-89; 8:45 am]

BILLING CODE 6717-01-M

[Docket Nos. TA90-1-37-003, TA89-1-37-004]

Northwest Pipeline Corp.; Proposed Change in FERC Gas Tariff

May 3, 1990.

Take notice that on April 27, 1990, Northwest Pipeline Corporation ("Northwest") tendered for filing and acceptance the following tariff sheets.

First Revised Volume No. 1

Ninth Revised Sheet No. 126-A
Thirteenth Revised Sheet No. 127
Eleventh Revised Sheet No. 127-A
Eleventh Revised Sheet No. 128
Seventh Revised Sheet No. 128-A
Ninth Revised Sheet No. 129
Seventh Revised Sheet No. 130
First Revised Sheet No. 130-A
Original Sheet No. 130-B

Northwest states that the purpose of this filing is to restate Northwest's PGA clause (Section 16 of the General Terms and Conditions of Northwest's Volume No. 1 Tariff), in compliance with ordering paragraph (C) of the Federal Energy Regulatory Commission ("Commission") order of March 29, 1990, issued in the above dockets. The aforementioned revision provides for a three part Account No. 191 surcharge, where the November 30 commodity subaccount balance will receive surcharge treatment, effective April 1, in the commodity component of Northwest's sales rates, while the November 30 demand deferral subaccount balance shall receive surcharge treatment, effective April 1, in the form of a Demand-1 and Demand-2 surcharge.

Northwest requests waiver of the Commission's regulations to permit the above listed tariff sheets to become effective December 1, 1989, which is the commencement of Northwest's current Account No. 191 deferral period. A copy of this filing is being mailed to all jurisdictional customers and affected state commissions.

Any person desiring to protest said filing should file a protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with Rules 214 and 211 of the Commission's Rules of Practice and Procedure (18 CFR 385.214, 385.211 (1989)). All such protests should be filed on or before May 10, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Persons that are already parties to this proceeding need not file a motion to intervene in this matter. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10738 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TQ90-3-28-000]

Panhandle Eastern Pipe Line Co.; Proposed Changes in FERC Gas Tariff

May 3, 1990.

Take notice that Panhandle Eastern Pipe Line Company (Panhandle) on May 1, 1990, tendered for filing the following revised tariff sheets to its FERC Gas Tariff, Original Volume No. 1:

Seventy-Eighth Revised Sheet No. 3-A
Fifty-Fifth Revised Sheet No. 3-B
Second Revised Sheet No. 3-B.1

The proposed effective date of these revised tariff sheets is June 1, 1990.

Panhandle states that these revised tariff sheets filed herewith reflect the following adjustments respecting Panhandle's D1 and D2 demand rates: (1) A decrease of ($0.13) for D1 and (2) no change for D2 pursuant to § 18.4 of Panhandle's tariff (pipeline suppliers' demand costs).

Panhandle states that the above-referenced tariff sheets are being filed in accordance with § 154.308 (quarterly PGA filing) of the Commission's Regulations and pursuant to §§ 18.1 and 18.4 (Purchased Gas Demand Rate Adjustments by Pipeline Suppliers) of Panhandle's FERC Gas Tariff, Original Volume No. 1 to reflect the changes in Panhandle's jurisdictional rates effective June 1, 1990.

Panhandle states that it should be noted that by order dated June 30, 1989, issued in Docket No. RP89-185-000, the Commission accepted for filing section 25 (Seasonal Sales Program) of Panhandle's FERC Gas Tariff, Original Volume No. 1. Pursuant to § 25.31 thereof, §§ 18.2, 18.3, 18.5, 18.6, 18.7 and 18.8 are suspended until re-established in accordance with § 25.32. Accordingly, Panhandle is reflecting as a current adjustment only the changes in its D1 and D2 demand rates mentioned above.

Panhandle states that copies of this filing have been served on all jurisdictional customers and applicable state regulatory agencies.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, in accordance with §§ 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests should be filed on or before May 11, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10739 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TA90-1-8-000]

South Georgia Natural Gas Co.; Proposed Changes to FERC Gas Tariff

May 3, 1990.

Take notice that on May 1, 1990, South Georgia Natural Gas Company ("South Georgia") tendered for filing Sixty-Third Revised Sheet No. 4 to its FERC Gas Tariff, First Revised Volume No. 1. South Georgia states that the tariff sheet and supporting information are being filed with a proposed effective date of July 1, 1990, pursuant to the Purchased Gas Cost Adjustment clause of its FERC Gas Tariff and § 154.305 of the Federal Energy Regulatory Commission's Regulations.

South Georgia states that the Current Adjustment reflects an increase of approximately $11,000 in jurisdictional revenues resulting from an increase of $.05 per Mcf in the demand component of South Georgia's quarterly PGA filing in Docket No. TQ90-3-8-000.

The Surcharge Adjustment is $(.122) per MMBtu and is based on a twelve-month amortization of the balance in South Georgia's Account No. 191 as of February 28, 1990.

South Georgia states that copies of the filing will be served upon all of South Georgia's jurisdictional purchasers and interested state commissions.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (§§ 385.211 and 385.214). All such motions or protests should be filed on or before May 24, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10740 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TM90-3-8-000]

South Georgia Natural Gas Co.; Proposed Changes to FERC Gas Tariff

May 3, 1990.

Take notice that on April 30, 1990, South Georgia Natural Gas Company (South Georgia) tendered for filing the following revised sheet to its FERC Gas Tariff, First Revised Volume No. 1:

Fifth Revised Sheet No. 4C

South Georgia states that the proposed tariff sheet is being filed with a proposed effective date of May 1990. The aforesaid tariff sheet reflects changes in South Georgia's fixed take-or-pay surcharge to correspond to the revised direct bill take-or-pay surcharge of its upstream pipeline supplier, Southern Natural Gas Company, in Docket No. TM90-4-7-000, and to recoup certain interest charges paid by South Georgia to Southern Natural Gas Company in the preceding twelve-month period which had not been previously flowed through the South Georgia's customers.

South Georgia states that copies of the filing were mailed to South Georgia's jurisdictional purchasers and interested state commissions.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with Rules 214 and 211 of the Commission's Rules of Practice and Procedure §§ 385.214, 385.211) All such petitions or protests should be filed on or before May 11, 1990.

Protests will be considered by the Commission in determining the appropriate action to be taken but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10741 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TM90-8-17-000]

Texas Eastern Transmission Corp.; Proposed Changes in FERC Gas Tariff

May 3, 1990.

Take notice that Texas Eastern Transmission Corporation (Texas Eastern) on April 27, 1990 tendered for filing as part of its FERC Gas Tariff, Fifth Revised Volume No. 1, six copies of the following tariff sheet:

Proposed to be Effective May 1, 1990

Second Substitute Twenty-first Revised Sheet No. 50.2

Texas Eastern states that this sheet is being filed pursuant to Section 4.F of Texas Eastern's Rate Schedules SS-2 SS-3 to flow through changes in CNG Transmission Corporation's Rate Schedule GSS rates which underlie Texas Eastern's Rate Schedules SS-2 and SS-3.

The proposed effective date of the above tariff sheet is May 1, 1990.

Copies of the filing were served on Texas Eastern's jurisdictional customers and interested state commissions.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NW., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure. All such motions or protests should be filed on or before May 10, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10745 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. RP90-112-000]

Texas Gas Pipe Line Corp.; Rate Filing

May 3, 1990.

Take notice that on May 1, 1990, Texas Gas Pipe Line Corporation (TGPL) filed proposed changes to its

FERC Gas Tariff to effect a 0.82¢ reduction in its Base Tariff Rates.

Specifically, TGPL tendered Third Revised Volume No. 1 to its FERC Gas Tariff (superseding Second Revised Volume No. 1) to be effective June 1, 1990, pursuant to § 154.63 of the Commission's Regulations and to establish new Base Tariff Rates as required by § 154.303. Additionally, TGPL has modified Section 12 of the General Terms and Conditions of its Tariff (Purchased Gas Cost Adjustments) to reflect TGPL's election to use the unit-of-sales methodology specified in § 154.302(n) of the Commission's Regulations.

Any person desiring to be heard or to protest this filing should file a motion to intervene or a protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC, 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). All such motions or protests should be filed on or before May 11, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10746 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. RP88-68-025]

Transcontinental Gas Pipe Line Corp.; Compliance Filing

May 3, 1990.

Take notice that Transcontinental Gas Pipe Line Corporation (Transco) tendered for filing on April 27, 1990 certain revised tariff sheets to Second Revised Volume No. 1 of its FERC Gas Tariff, which tariff sheets are listed in appendix A attached hereto. The proposed effective dates of the revised tariff sheets are indicated in appendix A, attached to the filing.

Transco states that the purpose of the instant filing is to comply with the Commission's order on rehearing issued March 30, 1990 in the Docket Nos. RP88-68-021 *et al.*, which order found that Corning Natural Gas Corporation (Corning) should be billed based on Transco absorbing 35 percent of its take-or-pay costs (as provided under Transco's August 7, 1989 Settlement in Docket Nos. RP88-68 *et al.*) and not 25 percent as under the original Order No. 500 proposal. Accordingly, the revised tariff sheets submitted herewith propose to directly bill CNG for the fixed monthly producer settlement payment amounts attributable to Corning's purchase deficiencies with North Penn Gas Company based on the 35/65 percent sharing (Tariff Sheet Nos. 12.1) of costs rather than the existing 25/75 percent sharing (Tariff Sheet Nos. 12.3).

Transco states that copies of the instant filing are being mailed to customers, State Commissions and other interested parties to Docket No. RP88-68 *et al.* In accordance with provisions of § 154.16 of the Commission's Regulations, copies of this filing are available for public inspection, during regular business hours, in a convenient form and place at Transco's main offices at 2800 Post Oak Boulevard in Houston, Texas.

Any person desiring to protest said filing should file a protest with the Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, in accordance with §§ 385.214 and 385.211 of the Commission's Rules and Regulations. All such protests should be filed on or before May 10, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Persons that are already parties to this proceeding need not file a motion to intervene in this matter. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 89-10747 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. RP88-68-026]

Transcontinental Gas Pipe Line Corp.; Proposed Changes in FERC Gas Tariff

May 3, 1990.

Take notice that Transcontinental Gas Pipe Line Corporation (Transco) tendered for filing on April 30, 1990, revised tariff sheets to Second Revised Volume No. 1 of its FERC Gas Tariff, which tariff sheets are included in Appendix A. Such tariff sheets are proposed to be effective June 1, 1990.

Transco states that the proposed tariff sheets reflect the clarification granted by the Commission in its Order On Rehearing And Request For Clarification issued March 30, 1990, in the referenced dockets. Transco states that the tariff sheets state that the point of sale for gas sold pursuant to Rate Schedule IS will be at the various points where Transco receives gas into its pipeline system, and for gas produced off Transco's system, at any point from the wellhead to the point at which such gas supplies would otherwise enter Transco's system from an upstream transporting pipeline. Transco states that the determination of whether gas supplies produced off of Transco's system will be sold at the point at which such gas supplies would enter Transco's system from an upstream transporting pipeline or at a point upstream thereof will be made on the basis of where the sale will provide Transco with the greatest economic benefit.

Transco further states that copies of the instant filing are being mailed to affected customers, State Commissions and other interested parties. In accordance with provisions of § 154.16 of the Commission's Regulations, copies of this filing are available for public inspection, during regular business hours, in a convenient form and place at Transco's main office at 2800 Post Oak Boulevard in Houston, Texas.

Any person desiring to protest said filing should file a protest with the Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, in accordance with Rules 214 and 211 of the Commission's Rule of Practice and Procedure (18 CFR 385.214 and 385.211).

All such protests should be filed on or before May 10, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Persons who are already parties to this proceeding need not file a motion to intervene in this matter. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10748 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TQ90-4-30-000]

Trunkline Gas Co.; Proposed Changes in FERC Gas Tariff

May 3, 1990.

Take notice that Trunkline Gas Company (Trunkline) on May 1, 1990, tendered for filing the following revised tariff sheets to its FERC Gas Tariff, Original Volume No. 1:

Seventy-Sixth Revised Sheet No. 3-A

The proposed effective date of this revised tariff sheet is June 1, 1990.

Trunkline states that this revised tariff sheet filed herewith reflects a commodity rate decrease of (1.85¢) per

Dt in the projected purchased gas cost component.

Trunkline states that the above-referenced tariff sheet is being filed in accordance with § 154.308 (quarterly PGA filing) of the Commission's Regulations and pursuant to section 18 (Purchased Gas Adjustment Clause) of Trunkline's FERC Gas Tariff, Original Volume No. 1 to reflect the change in Trunkline's jurisdictional rates effective June 1, 1990.

Trunkline states that copies of this filing have been served on all jurisdictional customers and applicable state regulatory agencies.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, in accordance with §§ 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests should be filed on or before May 11, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10749 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. RP90-110-000]

Trunkline LNG Co.; Petition for Authorization To Record and Amortize Deferred Debits for Periods of Suspension of Plant Operations

May 3, 1990.

Take notice that on March 28, 1990, Trunkline LNG Company ("TLC") filed a petition for authorization pursuant to Sections 4, 8, and 9 of the Natural Gas Act to record deferred debits relating to a portion of its depreciation for periods in which its plant operations are suspended or partially suspended, and to amortize the account during the period following such suspension. Specifically, TLC is requesting authority to record in Account No. 186, Miscellaneous Deferred Debits, the difference between depreciation accruals and the principal portion of the debt service recovered by TLC's minimum bill for the period in which TLC's minimum bill is operative. TLC proposed to amortize the deferred debits in Account No. 186 to Account No. 426.5, Other Deductions, when TLC's tariff provides revenues for recovery of investment above the debt service level.

TLC states in support that under the minimum bill provisions of its tariff, TLC recovers only its debt service and certain other non-equity related costs during the period in which operations are suspended, which commerced on August 1, 1984. Because of these provisions TLC has been unable, during the period of suspended operations, to obtain through rates the recovery of depreciation expense, which the Commission initially provided would be 5%, needed to return to TLC the investment in its plant. TLC states that the purpose of this application is to permit deferred accounting of the differential between depreciation which is accured and that which is being recovered while operations are suspended or at a minimum level. The amoritzation of the deferred account would commence when the accumulated depreciation is equal to ninety-five percent of the gas plant in service, to be spread over the remaining life of the plant or at such other rate as may be authorized or permitted.

TLC further states the granting of this application will not change TLC's current revenues, nor those applicable to past periods.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 N. Capitol Street, NW., Washington, DC 20426, in accordance with § 285.211 and 385.214 of the Commission's Rules and Regulations. All such motions or protests should be filed on or before May 10, 1990. Protests will be considered by the Commission in determining the appropriated actions to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10750 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. TQ90-4-49-000]

Williston Basin Interstate Pipeline Co.; Purchased Gas Cost Adjustment Filing

May 3, 1990.

Take notice that on April 27, 1990, Williston Basin Interstate Pipeline Company (Williston Basin), refiled, pursuant to the Office of Pipeline and Producer Regulations Letter Order dated April 25, 1990, its March 30, 1990, regularly scheduled quarterly Purchased Gas Adjustment (PGA).

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). All such motions or protests should be filed on or before May 10, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party to the proceeding must file a motion to intervene. Copies of the filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10751 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. RP90-102-001]

Tariff Filing; Tarpon Transmission Co.

May 3, 1990.

Take notice that on May 1, 1990, Tarpon Transmission Company ("Tarpon") tendered for filing with the Commission Gas part of its FERC as Tariff, Original Volume No. 1, Original Sheet No. 2C, proposed to be effective on May 1, 1990. Tarpon states that this tariff sheet, which sets forth the amount of money owed by each of Tarpon's shippers pursuant to Tarpon's proposed recoupment plan, is submitted in accordance with the Commission's "Order on Remand and Establishing Hearing Procedures" issued April 18, 1990, in Docket No. RP84-82-004 ("Order on Remand").

Tarpon proposes that its shippers pay Tarpon on June 30, 1990, amounts due to Tarpon as a result of the Commission's Order on Remand, with interest to accrue until the date of payment. Alternatively, and at its election, a shipper may pay the amount due Tarpon in equal installments over a 12-month period beginning June 30, 1990, with interest to accrue on the unpaid balance during the period of payment. Tarpon proposes to collect from each shipper the difference between 16.88 cents (Tarpon's filed rate) and 4.02 cents (the base rate erroneously imposed on Tarpon) for each Mcf of natural gas transported from March 17, 1988, until

the effective date of the reinstatement of the 16.88-cent per Mcf rate.

Tarpon has requested that the Commission waive all applicable regulations to permit Original Sheet No. 2C to become effective on May 1, 1990.

Any person desiring to protest said filing should file a protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with Rules 214 and 211 of the Commission's Rules of Practice and Procedure (18 CFR 385.214, 385.211 (1989)). All such protests should be filed on or before May 11, 1990. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Persons that are already parties to this proceeding need not file a motion to intervene in this matter. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10742 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. RP90-15-000]

Technical Conference; Texas Eastern Transmission Corp.

May 2, 1990.

On April 17, 1990, Equitrans, Inc. (Equitrans) and Texas Eastern Transmission Corporation (Texas Eastern) filed a letter requesting that a technical conference in the above-captioned proceeding be scheduled for May 15, 1990 at 10 a.m. Pursuant to the Commission's order, which issued on December 22, 1989, a technical conference was to be held to resolve the issues raised in this proceeding. In their letter, Equitrans and Texas Eastern request that the conference be scheduled on May 15, 1990 because of scheduling conflicts with other proposed dates for the conference. Upon consideration, notice is hereby given that the technical conference will be held on Tuesday, May 15, 1990 at 10 a.m. in a room to be designated at the offices of the Federal Energy Regulatory Commission, 810 First Street, NE., Washington, DC 20426.

All interested persons and Staff are permitted to attend.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10743 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. RP90-30-000]

Technical Conference; Texas Eastern Transmission Corp.

May 2, 1990.

On April 17, 1990, Equitrans, Inc. (Equitrans) and Texas Eastern Transmission Corporation (Texas Eastern) filed a letter requesting that a technical conference in the above-captioned proceeding be scheduled for May 15, 1990 at 2 p.m. Pursuant to the Commission's letter order, which issued on November 30, 1989, a technical conference was to be held to resolve the issues raised in this proceeding. In their letter, Equitrans and Texas Eastern request that the conference be scheduled on May 15, 1990 because of scheduling conflicts with other proposed dates for the conference. Upon consideration, notice is hereby given that the technical conference will be held on Tuesday, May 15, 1990 at 2 p.m. in a room to be designated at the offices of the Federal Energy Regulatory Commission, 810 First Street, NE., Washington, DC 20426.

All interested persons and Staff are permitted to attend.

Lois D. Cashell,

Secretary.

[FR Doc. 90-10744 Filed 5-8-90; 8:45 am]

BILLING CODE 6717-01-M

Office of Energy Research

Fusion Policy Advisory Committee; Open Meeting

Pursuant to the provisions of the Federal Advisory Committee Act (Pub. L. 92-463, 86 Stat. 770), notice is hereby given of the following meeting:

Name: Fusion Policy Advisory Committee.

Date and Time: May 24, 1990—8:30 a.m.-5 p.m.; May 25, 1990—8 a.m.-1 p.m.

Place: Department of Energy, 1000 Independence Avenue SW., room 1E-245, Washington, DC 20585; (202) 586-5444.

Contact: William Woodard, Department of Energy, Office of Energy Research, 1000 Independence Avenue SW., Washington, DC 20585; (202) 586-5767.

Purpose of the Committee: To review the conduct of the Department of Energy's magnetic and inertial confinement fusion programs and to recommend to the Department a policy for the development of fusion energy for civilian applications.

Tentative Agenda: The specific items are subject to last minute changes. Visitors planning to attend for a specific topic should confirm the time prior to and during the date of the meeting.

May 24, 1990

8:30 a.m. Administrative Items
8:45 a.m. International Collaboration
10:45 a.m. Subcommittee Report on Magnetic Fusion Energy
11:30 a.m. Subcommittee Report on Interial Confinement Fusion
12:15 p.m. Subcommittee Report on Generic Issues
1:00 p.m. Lunch
2:00 p.m. Committee Discussion
4:50 p.m. Public Comment (10 minute rule)
5:00 p.m. Adjourn

May 25, 1990

8:00 a.m. Committee Discussion
11:50 a.m. Public Comment (10 minute rule)
12:00 Noon Adjourn

Public Participation: The meeting is open to the public. Written statements may be filed with the Committee either before or after the meeting. Members of the public who wish to make oral statements pertaining to agenda items should contact William Woodard at the address or telephone number listed above. Requests must be received 5 days prior to the meeting and reasonable provisions will be made to include the presentation on the agenda.

Transcripts: The transcript of the meeting will be available for public review and copying at the Freedom of Information Public Reading Room, 1E-190, Forrestal Building, 1000 Independence Avenue SW., Washington, DC, between 9 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

Issued at Washington, DC on May 4, 1990.

J. Robert Franklin,

Deputy Advisory Committee Management Officer.

[FR Doc. 90-10839 Filed 5-8-90; 8:45 am]

BILLING CODE 6450-01-M

Energy Research Merit Review System

AGENCY: Office of Energy Research, Department of Energy.

ACTION: Notice.

SUMMARY: The Office of Energy Research (ER) is publishing its Merit Review System for research in accordance with requirements set forth in the Department of Energy Financial Assistance Rules, 10 CFR part 600. This notice establishes the procedures to be followed by ER program offices in conducting the merit review of research discretionary financial assistance applications and of acquisition proposals submitted pursuant to an ER's Research Opportunity Announcement.

EFFECTIVE DATE: Effective May 15, 1990.

FOR FURTHER INFORMATION CONTACT: Robert A. Zich, Director, Acquisition and Assistance Management Division (ER-64), Office of Energy Research, Department of Energy, Washington, DC 20545, (301) 353-5544.

SUPPLEMENTARY INFORMATION: A recent amendment to the DOE Financial Assistance Rules (54 FR 41943, October

13, 1989) requires program offices to establish and publish an objective merit review system for research and to ensure its satisfactory functioning. This notice publishes ER's Merit Review System as follows:

I. DOE Office of Energy Research Merit Review System

A. Consistent with 10 CFR 600.16(a)(1), the Office of Energy Research (ER) is publishing its Merit Review System (MRS) for research grant applications received pursuant to 10 CFR part 605, which was published in the **Federal Register** on April 15, 1985 (50 FR 14856) and which may be supplemented from time to time by notice of gant availability. In addition, this ER MRS also is used for acquisition research proposals submitted pursuant to the ER Research Opportunity Announcement (ROA) published in the **Federal Register** on November 8, 1988 (53 FR 45234) and which may be amended or superseded from time to time. The solicitation documents discussed above may include information on how ER expects to review and select meritorious research applications and proposals. Specific solicitations, SEB's and unsolicited applications/proposals will conduct reviews in accordance with DOE assistance or acquisition regulations as the case may be.

B. Basic Review Standards

1. New applications/proposals will be received by the Division of Acquisition and Assistance Management and assigned to an ER project manager (officer) who will initially screen the document(s) to assure that they meet the following standards before they are subjected to detailed evaluation utilizing merit review.

a. *Sufficient technical/scientific content and merit.* Those applications/proposals judged to be so inadequate that detailed evaluation is not warranted will be returned to the sender.

b. *Completeness.* Those applications/proposals not meeting the requirements of the ER Special Research Grants Program Rule (10 CFR part 605) or a ER Research Opportunity Announcement may be returned to the sender for correction or modified/supplemented by the sender. Until the application/proposal meets the above requirements, it generally will not be given detailed evaluation.

c. *Program Policy and Priorities.* Applications/proposals must be relevant to ER's missions and be of sufficient interest to warrant funding. In addition, sufficient funds must be available.

d. *No Unnecessary Duplication or Overlap.* Applications/proposals offering to perform research already being supported by DOE or other Federal agencies generally will not be subjected to formal merit review unless there is a cogent programmatic reason to do so.

2. Determination to Return Application/Proposal

The determination to return an application/proposal will be prepared by the ER project manager and will be approved at least one level higher than that of the project manager.

3. Evaluation Criteria

Applications/proposals meeting the standards in B.1. above, will be subjected to formal merit review and will be evaluated against the evaluation criteria set forth in 10 CFR part 605.

4. Additional Reviewers

a. The ER project manager will review applications/proposals for technical/scientific merit and program policy factors. In addition, he or she will submit applications/proposals to at least three qualified reviewers in addition to anyone having direct line authority over the project manager, including the selection official, for formal merit review. Instructions to reviewers will include a reasonable length of time for responding to ER's request for a merit review. In those instances where three or more qualified reviewers cannot be obtained to conduct a formal merit review, the selection official must issue a waiver which is based upon a written explanation of the situation by the assigned project manager. In the event that the project manager is a reviewer and is also the selection official, this waiver shall be considered and issued by an ER official one level higher than that of the project manager or selection official.

b. Such additional reviewers may be Federal employees, including those from ER that are neither the selecting official nor those in a direct line of supervision above the project manager, or non-Federal employees. Also, such additional reviewers will not include former employees of the project manager's immediate office, or anyone having line authority over that immediate office, within the past one year.

c. All reviewers serve as advisors to the selecting official and their recommendations are not binding. All significant adverse recommendations will be addressed in writing by the selecting official in a selection statement document.

d. In selecting additional reviewers in accordance with this section B.4, such additional reviewers shall not include anyone who, on behalf of the Federal Government, performed or is likely to perform any of the following duties for any of the applications/proposals:

(1) Providing substantial technical assistance to the applicant/proposer;

(2) Approving/disapproving or having any decisionmaking role regarding the application/proposal;

(3) Serving as the project manager or otherwise monitoring or evaluating the recipient's programmatic performance;

(4) Serving as the Contracting Officer or performing business management functions for the project; or

(5) Auditing the recipient of the project.

e. Anyone in ER who has line authority over a person who is ineligible to serve as an additional reviewer because of the above limitations also is ineligible to serve as an additional reviewer.

f. It occasionally may be necessary, after the fact, to change project manager designation, thereby resulting in an individual who participated as an additional reviewer in the evaluation of an application/proposal being appointed as the project manager. This is not a violation of the policy of objective merit review, provided the assignment was not expected when the review was conducted.

g. Additional reviewers will not include former employees of the project manager's immediate office or any former employee having line authority over that immediate office within the past one year.

C. Comparative Review

In order to enhance the validity of the evaluation, applications/proposals can be evaluated in comparison to each other.

D. Types of Review Groups

ER utilizes various types of review mechanisms to accomplish a merit review; however, within each mechanism the reviewer is selected based upon his/her expertise and professional qualifications as they relate to the field(s) of research contained in the application/proposal. Each reviewer chosen to participate will be provided with a copy of the application/proposal, the ER evaluation criteria from 10 CFR part 605.10, and other programmatic information needed to conduct the review. Based upon his/her review of

these documents, the reviewer is expected to provide the ER project manager with a written analysis based on the pertinent evaluation criteria and other program information for each application/proposal. The types of review mechanisms used by ER and the situations they are used in are as follows:

1. Field Readers

a. Merit review of applications/proposals may be obtained by using field readers to whom applications/proposals are sent for review and comment. Field readers also may be used as an adjunct to review committees when, for example, the type of expertise needed or the volume of applications/proposals to be reviewed requires such auxiliary capacity.

b. Appropriate action should be taken by ER project managers to ensure that field readers clearly understand the process, their role, and the criteria upon which the applications/proposals are to be evaluated.

c. For those situations in which a standing committee is determined to be the appropriate review mechanism (see paragraph D.2 of this section), but a group of field readers must be used instead, it should function as nearly like a committee as possible. For example, if all members of the standing committee were to evaluate all of the applications/proposals under review, then all field readers must receive all of the applications/proposals to be reviewed even though they are in geographically separate locations and all field readers should be instructed to follow the procedures established for evaluating the applications/proposals.

2. Standing Committees

a. The determination whether it is appropriate to establish and use a standing committee(s) shall be made only by ER. Standing committees are normally appropriate when required by legislation or when the following conditions prevail:

(1) A number of applications/proposals on specific topics sufficient to justify the use of a standing committee(s) is received by the program on a regular basis in accordance with a predetermined review schedule;

(2) There is a sufficient number of persons with the required expertise who are willing and able to (a) accept appointments, (b) serve over reasonably protracted periods of time, and (c) convene at regularly scheduled intervals or at the call of the chairperson; and

(3) The legislative authority for the particular program(s) involved extends for more than one year.

b. Persons outside the cognizant program office shall constitute at least half the reviewers on such committees unless a deviation from this requirement has been approved under 10 CFR 600.16(g).

3. Ad Hoc Committees

a. Ad hoc review committees may not exceed one year in duration and are appropriately used when use of a standing committee is not feasible or when one of the following conditions prevails:

(1) A small number of applications/proposals is received on an intermittent basis, or applications/proposals are received throughout an open solicitation period, generally for a period up to about one year.

(2) The program is one of limited duration, usually less than one year;

(3) The applications/proposals to be reviewed have been solicited to meet a specific program objective and cannot appropriately be reviewed by a standing committee because of subject matter, time constraints, or other limitations;

(4) The volume of applications/proposals received necessitates convening an additional committee(s) of available reviewers; or

(5) It is determined that the applications/proposals submitted have special review requirements, e.g., construction of a facility, the complexity of subject matter cuts across the areas of expertise of two or more standing committees, or the subject matter is of a special, nonrecurring nature.

b. Ad hoc committees may not be used for reviewing applications/proposals for any program for which a standing committee has been established (except for paragraph D.3.a.(4) of this section) unless a deviation is approved under 10 CFR 600.16(g).

E. Review Summary

Upon request, applicants/proposers will be provided with a written summary of the evaluation of their application/proposal.

F. Reviewers With Interests in Application/Proposal Being Reviewed

Reviewers must comply with the requirements of title 10 CFR 1010.101-(a) and 1010.302(a)(1) concerning conflict of interest. A committee or group of field readers which includes as reviewers any individuals who cannot meet these requirements of or the program's review procedures, with regard to a particular application/proposal being reviewed, e.g., officials mentioned in paragraphs B.2. and 4., shall operate as follows:

1. The individuals or officials may not review, discuss, and/or make a recommendation on an application(s)/proposal(s) in which they have a conflict of interest.

2. In the case of a review committee, the committee member must absent himself or herself from the committee meeting during the review and discussion of the application(s)/proposal(s) in which he/she has a conflict of interest.

G. Deviations

1. In any instance in which ER's Merit Review System is not to be used to review an application/proposal, group of applications/proposals, or class of applications/proposals, written prior approval for utilization of a different procedure, which itself must, to the extent possible, conform to the provisions of this section pertaining to merit review, must be obtained from the ER Director of Acquisition and Assistance Management.

2. If the deviation sought applies to a class of applications/proposals and constitutes a deviation from the requirements of 10 CFR 600.16, approval for deviation must be obtained in accordance with 10 CFR 600.4. If such request for deviation is approved, all details of the review procedure utilized and the proceedings and determination must be fully documented.

H. Review of Renewal Proposals

Generall, ER will conduct a peer review before every renewal unless, based on a review by program staff and one of the criteria listed below, a written determinations is made that a project need not be reviewed at each renewal. The project manager shall make such a determination at least one year prior to the date a renewal award would become effective. Such determinations will be concurred in by the Office of Energy Research Division of Acquisition and Assistance Management. In no situation will a grant or contract be renewed for more than six years without a peer review. The criteria to be used as a basis for such a determination are as follows:

1. Instances involving annual award;

2. The nature of the project requires additional time for performance; or

3. Instances where a final period of support is being authorized to provide reasonable time and funds sufficient to bring the project to an orderly termination.

II. ER Selection Process

Selection of applications/proposals for award will be based upon the

findings of the technical evaluation, the importance and relevance of the proposed research to ER's mission, and funding availability. Cost reasonableness and realism also will be considered to the extent appropriate. Adverse recommendations also will be considered and all the above will be addressed and documented in a written selection statement signed by the selection official.

Issued in Washington, DC on May 1, 1990.

James F. Decker,

Acting Director, Office of Energy Research.

[FR Doc. 90-10840 Filed 5-8-90; 8:45 am]

BILLING CODE 6450-01-M

Office of Hearings and Appeals,

Implementation of Special Refund Procedures

AGENCY: Office of Hearings and Appeals; Department of Energy.

ACTION: Notice of proposed implementation of special refund procedures.

SUMMARY: The Office of Hearings and Appeals of the Department of Energy (DOE) announces proposed procedures for the disbursement of $35,410.56 plus accrued interest that the DOE received as a result of the approval of its unsecured Proof of Claim by the United States Bankruptcy Court for the Northern District of Oklahoma on October 27, 1989. The funds will be distributed in accordance with the DOE's special refund procedures, 10 CFR part 205, subpart V.

DATE AND ADDRESS: Comments must be filed in duplicate within 30 days of the date of publication in the **Federal Register** and should be addressed to: Office of Hearings and Appeals, Department of Energy, 1000 Independence Avenue, SW., Washington, DC 20585. All comments should conspicuously display a reference to Case Number LEF-004.

FOR FURTHER INFORMATION CONTACT: Orestes O'Brien, Staff Analyst, Office of Hearings and Appeals, 1000 Independence Avenue, SW., Washington, DC 20585, (202) 586-6602.

SUPPLEMENTARY INFORMATION: In accordance with § 205.282(b) of the procedural regulations of the Department of Energy (DOE), 10 CFR 205.282(b), notice is hereby given of the issuance of the Proposed Decision and Order set out below. The Proposed Decision and Order sets forth the procedures that the DOE has tentatively formulated to distribute monies that have been received by the DOE from Petrol Products, Inc. as the result of the approval of an unsecured Proof of Claim alleging possible pricing and allocation violations with respect to the firm's resale of crude oil. The DOE is currently holding $36,366.54 in an interest-bearing escrow account pending distribution.

Applications for Refund should not be filed at this time. Appropriate public notice will be given when the submission of claims is authorized. Any member of the public may submit written comments regarding the proposed refund procedures. Commenting parties are requested to submit two copies of their comments. Comments should be submitted within 30 days of the publication of this notice in the **Federal Register** and should be sent to the address set forth at the beginning of this notice. All comments received will be available for public inspection between the hours of 1 p.m. and 5 p.m., Monday through Friday, except federal holidays, in the Public Reference Room of of the Office of Hearings and Appeals, located in room 1E-234, 1000 Independence Avenue, SW., Washington, DC 20585.

Dated: May 3, 1990.

George B. Breznay,

Director, Office of Hearings and Appeals.

Name of Firm: Petrol Products, Inc.
Date of Filing: November 9, 1989.
Case Number: LEF-0004.

Under the procedural regulations of the Department of Energy (DOE), the Economic Regulatory Administration (ERA) may request that the Office of Hearings and Appeals (OHA) formulate and implement special refund procedures. 10 CFR 205.281. These procedures are used to refund monies to those injured by actual or alleged violations of the DOE price regulations.

The ERA has filed a Petition for the Implementation of Special Refund Procedures for crude oil overcharge funds obtained from Petrol Products, Inc. (Petrol) On October 27, 1989, the ERA received a total of $35,410.56 as the result of the approval of ERA's unsecured Proof of Claim by from the United States Bankruptcy Court for the Northern District of Oklahoma (Bankruptcy #81-01048-W, chapter 7). The ERA's claim was based upon allegations that Petrol violated the Mandatory Petroleum Price and Allocation regulations in connection with its resales of crude oil during the period January 1976 through June 1979. This Proposed Decision and Order sets forth the OHA's plan to distribute these funds. Comments are solicited.

The general guidelines which the OHA may use to formulate and implement a plan to distribute refunds are set forth in 10 CFR part 205, subpart V. The subpart V process may be used in situations where the DOE cannot readily identify the persons who may have been injured as a result of actual or alleged violations of the regulations or ascertain the amount of the refund each person should receive. For a more detailed discussion of subpart V and the authority of the OHA to fashion procedures to distribute refunds, see *Office of Enforcement,* 9 DOE ¶ 82,508 (1981), and *Office of Enforcement,* 8 DOE ¶ 82,597 (1981). We have considered the ERA's request to implement subpart V procedures with respect to the monies received from Petrol and have determined that such procedures are appropriate.

I. Background

On July 28, 1986, the DOE issued a Modified Statement of Restitutionary Policy Concerning Crude Oil Overcharges, 51 FR 27899 (August 4, 1986) (the MSRP). The MSRP, issued as a result of a court-approved Settlement Agreement in *In re: The Department of Energy Stripper Well Exemption Litigation,* M.D.L. No. 378 (D. Kan. 1986), provides that crude oil overcharge funds will be divided among the states, the federal government, and injured purchasers of refined petroleum products. Under the MSRP, up to twenty percent of these crude oil overcharge funds will be reserved initially to satisfy valid claims by injured purchasers of petroleum products. Eighty percent of the funds, and any monies remaining after all valid claims are paid, are to be disbursed equally to the states and federal government for indirect restitution.

Shortly after the issuance of the MSRP, the OHA announced its intention to apply the Modified Policy in all subpart V proceedings involving alleged crude oil violations. *See* Order Implementing the MSRP, 51 FR 29689 (August 20, 1986). That Order provided a period of thirty days for the filing of any objections to the application of the MSRP, and solicited comments concerning the appropriate procedures to follow in processing refund applications in crude oil refund proceedints.

On April 6, 1987, the OHA issued a Notice analyzing the numerous comments it received in response to the August 1986 Order. 52 FR 11737 (April 10, 1987) (the April 10 Notice). The April 10 Notice set forth generalized procedures and provided guidance to assist claimants that wish to file refund applications for crude oil monies under the subpart V regulations. In that Notice,

the OHA stated that all applicants for crude oil refunds would be required to document their purchase volumes of petroleum products during the period of price controls and prove that they were injured by the alleged overcharges. The April 10 Notice indicated that end-users of petroleum products whose businesses are unrelated to the petroleum industry will be presumed to have absorbed the crude oil overcharges, and need not submit any further proof of injury to receive a refund. Finally, the OHA stated that refunds would be calculated on the basis of a per gallon refund amount derived by dividing crude oil violation amounts by the total consumption of petroleum products in the United States during the period of price controls. The numerator would include the crude oil overcharge monies that were in the DOE's escrow account at the time of the settlement and a portion of the funds in the M.D.L. 378 escrow at the time of the settlement.

These procedures, which the OHA has applied in numerous cases since the April 10 Notice, *see, e.g., New York Petroleum, Inc.*, 18 DOE ¶ 85,435 (1988); *Shell Oil Co.*, 17 DOE ¶ 85,204 (1988); *Ernest A. Allerkamp*, 17 DOE ¶ 85,079 (1988), have been approved by the United States District Court for the District of Kansas as well as the Temporary Emergency Court of Appeals. Various states had filed a Motion with the Kansas District Court, claiming that the OHA violated the Settlement Agreement by employing presumptions of injury for end-users and by improperly calculating the refund amount to be used in those proceedings. On August 17, 1987, Judge Theis issued an Opinion and Order denying the states' Motion in its entirety. The court concluded that the Settlement Agreement "does not bar OHA from permitting claimants to employ reasonable presumptions in affirmatively demonstrating injury entitling them to a refund." *In re: The Department of Energy Stripper Well Exemption Litigation*, 671 F. Supp. 1318, 1323 (D. Kan. 1987). The court also ruled that, as specified in the April 10 Notice, the OHA could calculate refunds based on a portion of the M.D.L. 378 overcharges. *Id.* at 1323–24. The states appealed the latter ruling, and the Temporary Emergency Court of Appeals affirmed Judge Theis' decision. *In re: The Department of Energy Stripper Well Exemption Litigation*, 857 F.2d 1481 (Temp. Emer. Ct. App. 1988).

II. The Proposed Refund Procedures

A. Refund Claims

We now propose to apply the procedures discussed in the April 10 Notice to the crude oil subpart V proceeding that is the subject of the present determination. As noted above, the alleged crude oil violation amount recovered is $35,410.56. We have decided to reserve initially the full twenty percent of the alleged crude oil violation amounts, or $7,082.11, for direct refunds to claimants, in order to insure that sufficient funds will be available for refunds to injured parties. The amount of the reserve may be adjusted downward later if circumstances warrant such action.

The process which the OHA will use to evaluate claims based on alleged crude oil violations will be modeled after the process the OHA has used in subpart V proceedings to evaluate claims based upon alleged overcharges involving refined products. *See MAPCO, Inc.*, 15 DOE ¶ 85,097 (1986); *Mountain Fuel Supply Co.*, 14 DOE ¶ 85,475 (1986) (*Mountain Fuel*). As in non-crude oil cases, applicants will be required to document their purchase volumes and to prove that they were injured as a result of the alleged violations. Following subpart V precedent, reasonable estimates of purchase volumes may be submitted. *Greater Richmond Transit Co.*, 15 DOE ¶ 85,028 at 88,050 (1986). Generally, it is not necessary for applicants to identify their suppliers of petroleum products in order to receive a refund.

Applicants who were end-users or ultimate consumers of petroleum products, whose businesses are unrelated to the petroleum industry, and who were not subject to the DOE price regulations are presumed to have been injured by any alleged crude oil overcharges. In order to receive a refund, end-users need not submit any further evidence of injury beyond volumes of products purchased during the period of price controls. *See A. Tarricone, Inc.*, 15 DOE ¶ 85,495 at 88,893–96 (1987). The end-user presumption of injury is rebuttable, however. *Berry Holding Co.*, 16 DOE ¶ 85,405 at 88,797 (1987). If an interested party submits evidence which is of sufficient weight to cast serious doubt on whether the specific end-user in question was injured, the applicant will be required to produce further evidence of injury. *See New York Petroleum*, 18 DOE at 88,701–03.

Reseller and retailer claimants must submit detailed evidence of injury, and may not rely on the presumptions of injury utilized in refund cases involving refined petroleum products. They can, however, use econometric evidence of the type employed in the OHA Report to the District Court in the Stripper Well Litigations, 6 Fed. Energy Guidelines ¶ 90,507 (June 19, 1985). Applicants who executed and submitted a valid waiver pursuant to one of the escrows established in the Stripper Well Agreement have waived their rights to apply for crude oil refunds under subpart V. *Boise Cascade Corp.*, 16 DOE ¶ 85,214 at 88,411, *reconsideration denied* 16 DOE ¶ 85,494, *aff'd sub nom. In re: The Department of Energy Stripper Well Exemption Litigation*, 3 Fed. Energy Guidelines ¶ 26,613 (D. Kan. 1987).

Refunds to eligible claimants who purchased refined petroleum products will be calculated on the basis of a volumetric refund amount derived by dividing the alleged crude oil violation amounts involved in this determination ($35,410.56) by the total consumption of petroleum products in the United States during the period of price controls (2,020,997,335,000 gallons). *Mountain Fuel*, 14 DOE at 88,868 n.4. This yields a volumetric refund amount of $0.0000000175 per gallon.

As we stated in previous Decisions, a crude oil refund applicant will be required to submit only one application for crude oil overcharge funds. *See Allerkamp*, 17 DOE at 88,176. Any party that has previously submitted a refund application in the crude oil refund proceedings need not file another application; that application will be deemed to be filed in all crude oil proceedings finalized to date. A deadline of June 30, 1988 was established for all refund applications for the first pool of crude oil funds. The first pool was funded by the crude oil refund proceedings, implemented pursuant to the MSRP, up to and including *Shell Oil Co.*, 17 DOE § 85,204 (1988). A deadline of October 31, 1989 was established for applications for refunds from the second pool of crude oil funds. The second pool was funded by those crude oil refund proceedings beginning with *World Oil Co.*, 17 DOE ¶ 85,568, *corrected*, 17 DOE ¶ 85,669 (1988), and ending with *Texaco Inc.*, 19 DOE ¶ 85,200, *corrected*, 19 DOE ¶ 85,236 (1989). The deadline for filing an application for refund from the third pool of funds is March 31, 1991. The volumetric refund amount from the third pool of crude oil funds will be increased as additional crude oil violation amounts are received in the future. Applicants may be required to submit additional information to document their

refund claims for these future amounts. Notice of any additional amounts available in the future will be published in the **Federal Register.**

B. Payments to the States and Federal Government

Under the terms of the MSRP, we propose that the remaining eighty percent of the alleged crude oil violation amounts subject to this Proposed Decision or $28,328.45 should be disbursed in equal shares to the states and federal government for indirect restitution. Refunds to the states will be in proportion to the consumption of petroleum products in each state during the period of price controls. The share or ratio of the funds which each state will receive is contained in Exhibit H of the Stripper Well Agreement. When disbursed, these funds will be subject to the same limitations and reporting requirements as all other crude oil monies received by the states under the Stripper Well Agreement.

It is therefore ordered that: The refund amount received by the Department of Energy from Petrol Products, Inc. and described above, will be distributed in accordance with the terms of the foregoing Decision.

[FR Doc. 90-10841 Filed 5-8-90; 8:45 am]

BILLING CODE 6450-01-M

ENVIRONMENTAL PROTECTION AGENCY

[FRL-3764-4]

Underground Injection Control Program

In the matter of Hazardous Waste Disposal Injection Restrictions; Petition for Exemption; Class I Hazardous Waste Injection EMPAK, Incorporated, Deer Park, TX.

AGENCY: Environmental Protection Agency.

ACTION: Notice of final decision on petition.

SUMMARY: Notice is hereby given that an exemption to the land disposal restrictions under the 1984 Hazardous and Solid Waste Amendments to the Resource Conservation and Recovery Act has been granted to EMPAK, Incorporated, for the Class I injection well located at Deer Park, Texas. As required by 40 CFR part 148, the company has adequately demonstrated to the satisfaction of the Environmental Protection Agency by petition and supporting documentation that, to a reasonable degree of certainty, there will be no migration of hazardous constituents from the injection zone for as long as the waste remains hazardous. This final decision allows the underground injection by EMPAK, Incorporated, of the specific restricted hazardous waste, identified in the petition, into the Class I hazardous waste injection well at the Deer Park, Texas, facility specifically identified in the petition, for as long as the basis for granting an approval of the petition remains valid, under provisions of 40 CFR 148.24. As required by 40 CFR 124.10, a public notice was issued February 7, 1990. A public hearing was held March 13, 1990, and a public comment period ended on March 23, 1990. All comments have been addressed and have been considered in the final decision. This decision constitutes final Agency action and there is no Administrative appeal.

DATES: This action is effective as of May 1, 1990.

ADDRESSES: Copies of the petition and all pertinent information relating thereto, including the Agency's response to comments, are in file at the following location: Environmental Protection Agency, Region 6, Water Management Division, Water Supply Branch (6W-SU), 1445 Ross Avenue, Dallas, Texas 75202-2733.

FOR FURTHER INFORMATION CONTACT: Oscar Cabra, Jr., Chief Water Supply Branch, EPA—Region 6, telephone (214) 655-7150, (FTS) 255-7150..

Myron O. Knudson,

Director, Water Management Division (6W).

[FR Doc. 90-10845 Filed 5-8-90; 8:45 am]

BILLING CODE 6560-50-M

[PF-534; FRL-3737-5]

Food Additive Petition and Pesticide Petition; Initial Filings

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: This notice announces that EPA has received initial filings of food additive petition (FAP) 0H5595 and pesticide pesticide (PP) 9F3799.

ADDRESSES: By mail, submit written comments to: Information Services Section, Program Management and Support Division (TS-757C), Office of Pesticide Programs, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. In person, deliver comments to: Rm. 246, CM #2, Environmental Protection Agency, 1921 Jefferson Davis Highway, Arlington, VA 22202.

Information submitted as a comment concerning this notice may be claimed confidential by marking any part or all of that information as "Confidential Business Information" (CBI). Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2. A copy of the comment that does not contain CBI must be submitted for inclusion in the public record. Information not marked confidential may be disclosed publicly by EPA without prior notice. Written comments must be identified by the document control number [PF-534]. All written comments filed in response to this notice will be available for public inspection in the Program Management and Support Division office at the address given above, from 8 a.m. to 4 p.m., Monday through Friday, except legal holidays.

FOR FURTHER INFORMATION CONTACT: By mail: Registration Division (TS-767C), Attention: Product Manager (PM) named in the petition, Environmental Protection Agency, Office of Pesticide Programs, 401 M St., SW., Washington, DC 20460.

In person, contact the PM named in each petition at the following office location/telephone number.

Product manager	Office location/ telephone number	Address
Dennis Edwards (PM 12).	Rm. 202, CM #202, 703-557-2386.	1921 Jefferson Davis Hwy., Arlington, VA.
Robert Taylor (PM 25).	Rm. 245, CM #245, 703-557-1800.	Do.

SUPPLEMENTARY INFORMATION: EPA has received a pesticide petition and a food additive petition as follows proposing the establishment of tolerances or regulations for residues of certain pesticide chemicals in or on certain commodities.

1. *FAP 0H5595.* Rhone-Poulenc Ag Co., P.O. Box 12014, Research Triangle Park, NC 27709, proposes to amend 40 CFR 185.2700(b) to establish a tolerance for the plant growth regulator ethephon [(2-chloroethyl) phosphonic acid] in or on sugarcane molasses at 1.5 parts per million (ppm) in conjunction with an experimental use program. (PM 25)

2. *PP 9F3799.* NOR-AM Chemical Co., 3509 Silverside Rd., P.O. Box 7495, Wilmington, DE 19803, proposes to amend 40 CFR 180.446 to establish a tolerance for the miticide clofentezine (3,6-bis(2-chlorophenyl)-1,2,4,5-tetrazine) at 1.0 ppm in or on the stone fruits group. The proposed method for

determining residues is high-pressure liquid chromatography using UV absorption monitoring. (PM 12)

Authority: 7 U.S.C. 136a.

Dated: April 13, 1990.

Anne E. Lindsay,

Director, Registration Division, Office of Pesticide Programs.

[FR Doc. 90-10550 Filed 5-8-90; 8:45 am]

BILLING CODE 6560-50-D

[OPP-100075; FRL-3741-2]

Syracuse Research Corporation; Transfer of Data

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: This is a notice to certain persons who have submitted information to EPA in connection with pesticide information requirements imposed under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and the Federal Food, Drug, and Cosmetic Act (FFDCA). Syracuse Research Corporation (SRC) has been awarded a contract to perform work for the EPA Office of Environmental Criteria and Assessment and will be provided access to certain information submitted to EPA under FIFRA and the FFDCA. Some of this information may have been claimed to be confidential business information (CBI) by submitters. This information will be transferred to SRC consistent with the requirements of 40 CFR 2.307(h)(3) and 40 CFR 2.308(i)(2), respectively. This action will enable SRC to fulfill the obligations of the contract, and this notice serves to notify affected persons.

DATES: Syracuse Research Corporation will be given access to this information no sooner than May 14, 1990.

FOR FURTHER INFORMATION CONTACT:

By mail: Catherine S. Grimes, Program Management and Support Division (H7502C), Office of Pesticide Programs, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460.

Office location and telephone number: Rm. 212, CM #2, 1921 Jefferson Davis Highway, Arlington, VA, (703) 557-4460.

SUPPLEMENTARY INFORMATION: This notice is to amend the list of chemicals that appeared in a **Federal Register** notice of January 13, 1988 (53 FR 794). The pesticide chemicals listed below are in addition to those mentioned in the above **Federal Register**. SRC will be preparing and updating environmental effects documents, including aquatic toxicity and environmental fate and transport. Other chemicals may be included in SRC's work later in this contract. Readers may contact the person named above in approximately 1 year to learn if chemicals other than those on this list and the original listing of January 13, 1988, will be involved in this contract.

Captan

Diazinon

Hexachloro-Cyclopendadiene

2-Phenylphenol

The Office of Environmental Criteria and Assessment and the Office of Pesticide Programs have jointly determined that Contract No. 68-C3-3521, involves work that is being conducted in connection with FIFRA, in that pesticide chemicals will be the subject of certain evaluations to be made under this contract. These evaluations may be used in subsequent regulatory decisions under FIFRA.

Some of this information may be entitled to confidential treatment. The information has been submitted to EPA under sections 3, 6, and 7 of FIFRA and obtained under sections 408 and 409 of the FFDCA.

In accordance with the requirements of 40 CFR 2.307(h)(3) and 2.308(i)(2), the contract with SRC prohibits use of the information for any purpose other than the purposes specified in the contract, prohibits disclosure of the information in any form to a third party without prior written approval from the Agency or affected business, and requires that each official and employee of the contractor sign an agreement to protect the information from unauthorized release and to handle it in accordance with the FIFRA Information Security Manual. In addition, SRC has previously submitted for EPA approval a security plan under which any CBI will be secured and protected against unauthorized release or compromise. Records of information provided to this contractor will be maintained by the Project Officer for this contract in the EPA Office of Environmental Criteria and Assessment. All information supplied to SRC by EPA for use in connection with this contract will be returned to EPA when SRC has completed its work.

Dated: April 25, 1990.

Douglas D. Campt,

Director, Office of Pesticide Programs.

[FR Doc. 90-10557 Filed 5-8-90; 8:45 a.m.]

BILLING CODE 6560-50-D

[OPP-30261B; FRL-3735-6]

ICI Americas, Inc; Approval of Pesticide Product Registration

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: This notice announces Agency approval of an application submitted by ICI Americas, Inc., to register the pesticide product Touchdown Concentrate containing an active ingredient not included in any previously registered product pursuant to the provisions of section 3(c)(5) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), as amended.

FOR FURTHER INFORMATION CONTACT: By mail:

Robert Taylor, Product Manager (PM) 25, Registration Division (H7505C), Office of Pesticide Programs, 401 M St., SW., Washington, DC 20460.

Office location and telephone number: Rm. 245, CM #2, Environmental Protection Agency, 1921 Jefferson Davis Hwy, Arlington, VA 22202, (703-557-1800).

SUPPLEMENTARY INFORMATION: EPA issued a notice, published in the **Federal Register** of December 26, 1985 (50 FR 52849), which announced that Stauffer Chemical Co., 1200 South 47th St., Richmond, CA 94804, had submitted an application to register the pesticide product SC-0224 Concentrate (EPA File Symbol 476-EEEL), containing the active ingredient trimethylsulfonium carboxymethylaminomethylphosphonate at 52.2 percent; an active ingredient not included in any previously registered product.

On November 23, 1988, Stauffer Chemical Co., number 476, transferred the registration to ICI Americas, Inc., Agricultural Products, Concord Pike and New Murphy Rd., Wilmington, DE 19897, company number 10182. The product name was changed to Touchdown Concentrate, containing the same active ingredient.

The application was approved on January 9, 1990, for general use to control weeds in noncrop areas around farms, and was assigned EPA Registration Number 10182-276).

The Agency has considered all required data on risks associated with the proposed use of trimethylsulfonium carboxymethylaminomethylphosphonate, and information on social, economic, and environmental benefits to be derived from use. Specifically, the Agency has considered the nature of the chemical and its pattern of use, application methods and rates, and level

and extent of potential exposure. Based on these reviews, the Agency was able to make basic health safety determinations which show that use of trimethylsulfonium carboxymethylaminomethylphosphonate, when used in accordance with widespread and commonly recognized practice, will not generally cause unreasonable adverse effects to the environment.

More detailed information on this registration is contained in a Chemical Fact Sheet on trimethylsulfonium carboxymethylaminomethylphosphonate.

A copy of this fact sheet, which provides a summary description of the chemical, use patterns and formulations, science findings, and the Agency's regulatory position and rationale, may be obtained from the Natural Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, VA 22161.

In accordance with section 3(c)(2) of FIFRA, a copy of the approved label and the list of data references used to support registration are available for public inspection in the office of the Product Manager. The data and other scientific information used to support registration, except for material specifically protected by section 10 of FIFRA, are available for public inspection in the Public Docket, Field Operations Division (H7506C), Office of Pesticide Programs, Environmental Protection Agency, Rm. 246, CM #2, Arlington, VA 22202 (703-557-4456). Requests for data must be made in accordance with the provisions of the Freedom of Information Act and must be addressed to the Freedom of Information Office (A-101), 401 M St., SW., Washington, DC 20460. Such requests should: (1) Identify the product name and registration number and (2) specify the data or information desired.

Authority: 7 U.S.C. 136.

Dated: April 25, 1990.

Douglas D. Campt,

Director, Office of Pesticide Programs.

[FR Doc. 90-10689 Filed 5-8-90; 845 am]

BILLING CODE 6560-50-D

[OPP-30261C; FRL-3735-7]

ICI Americas, Inc.; Approval Of Pesticide Product Registration

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: This notice announces Agency approval of an application submitted by ICI Americas, Inc., to conditionally register the pesticide product Touchdown 4-LC containing a new active ingredient not included in any previously registered product pursuant to the provisions of section 3(c)(7) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), as amended.

FOR FURTHER INFORMATION CONTACT: By mail:

Robert Taylor, Product Manager (PM) 25, Registration Division (H7505C), Office of Pesticide Programs, 401 M St., SW., Washington, DC 20460.

Office location and telephone number: Rm. 245, CM #2, Environmental Protection Agency, 1921 Jefferson Davis Hwy, Arlington, VA 22202, (703-557-1800).

SUPPLEMENTARY INFORMATION: EPA issued a notice, published in the **Federal Register** of December 26 1985 (50 FR 52849), which announced that Stauffer Chemical Co., 1200 South 47th St., Richmond, CA 94804, had submitted an application to conditionally register the pesticide product SC-0224 4-LC, (EPA File Symbol 476-EEEA), containing the active ingredient trimethylsulfonium carboxymethylaminophosphonate at 39.9 percent; an active ingredient not included in any previously registered product.

On November 23, 1988, Stauffer Chemical Co., number 476, transferred the registration to ICI Americas, Inc., Agricultural Products, Concord and New Murphy Rd., Wilmington, DE 19897, company number 10182. The product name was changed to Touchdown 4-LC, containing the same active ingredient.

The application was approved on January 9, 1990, for general use to control weeds in noncrop areas around farms, and was assigned EPA Registration Number 10182-277.

A conditional registration may be granted under section 3(c)(7)(C) of FIFRA for a new active ingredient where certain data are lacking, on condition that such data are received by the end of the conditional registration period and do not meet or exceed the risk criteria set forth in 40 CFR 154.7; that use of the pesticide during the conditional registration period will not cause unreasonable adverse effects; and that use of the pesticide is in the public interest.

The Agency has considered the available data on the risks associated with the proposed use of trimethylsulfonium carboxymethylaminomethylphosphonate, and information on social, economic, and environmental benefits to be derived from such use. Specifically, the Agency has considered the nature of the chemical and its pattern of use, application methods and rates, and level and extent of potential exposure. Based on these reviews, the Agency was able to make basic health and safety determinations which show that use of trimethylsulfonium carboxymethylaminomethylphosphonate, during the period of conditional registration will not cause any unreasonable adverse effect on the environment, and that use of the pesticide is, in the public interest.

This registration has been issued on the condition that the following toxicology data be submitted by April 30, 1990:

1. Acute inhalation LC_{50} study on the SC-0224 4-LC formulation and 21-day dermal study on the SC-0224 4-LC formulation.

2. You are advised to pursue additional acute inhalation testing, taking into advisement the suggestions listed in the March 15, 1989 toxicology review.

Consistent with section 3(c)(7)(C), the Agency has determined that the conditional registration is in the public interest. Use of the pesticide is of significance to the user community, and appropriate labeling, use directions, and other measures have been taken to ensure that use of the pesticides will not result in unreasonable adverse effects to man and the environment.

More detailed information on this conditional registration is contained in a Chemical Fact Sheet on trimethylsulfonium carboxymethylaminomethylphosphonate.

A copy of the fact sheets, which provides a summary description of the chemical, use patterns and formulations, science findings, and the Agency's regulatory position and rationale, may be obtained from the Natural Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, VA 22161.

In accordance with section 3(c)(2) of FIFRA, a copy of the approved label and the list of data references used to support registration are available for public inspection in the office of the Product Manager. The data and other scientific information used to support registration, except for material specifically protected by section 10 of FIFRA, are available for public inspection in the Public Docket, Field Operations Division (H7506C), Office of Pesticide Programs, Environmental Protection Agency, Rm. 246, CM #2, Arlington, VA 22202 (703-557-4456). Requests for data must be made in accordance with the provisions of the Freedom of Information Act and must be

addressed to the Freedom of Information Office (A-101), 401 M St., SW., Washington, DC 20460. Such requests should: (1) Identify the product name and registration number and (2) specify the data or information desired.

Authority: 7 U.S.C. 136.

Dated: April 25, 1990.

Douglas D. Campt,

Director, Office of Pesticide Programs.

[FR Doc. 90-10690 Filed 5-8-90; 8:45 am]

BILLING CODE 6560-50-D

[OPP-180827; FRL 3736-5]

Emergency Exemptions

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: EPA has granted specific exemptions for the control of various pests to the seven States as listed below. Two quarantine exemptions were also granted to the United States Department of Agriculture/APHIS. These exemptions, issued during the months of December and January, are subject to application and timing restrictions and reporting requirements designed to protect the environment to the maximum extent possible. Information on these restrictions is available from the contact persons in EPA listed below.

DATES: See each specific and quarantine exemption for its effective date.

FURTHER INFORMATION CONTACT: See each emergency exemption for the name of the contact person. The following information applies to all contact persons: By mail:

Registration Division (H7505C), Office of Pesticide Programs, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460.

Office location and telephone number: Rm. 716, CM #2, 1921 Jefferson Davis Highway, Arlington, VA, (703-557-1806).

SUPPLEMENTARY INFORMATION: EPA has granted specific exemptions to the:

1. Arizona Commission of Agriculture and Horticulture for the use of hydrogen cyanamide on table grapes to control bud break; December 22, 1989, to February 1, 1990. (Jim Tompkins)

2. California Department of Food and Agriculture for the use of hydrogen cyanamide on table grapes to control bud break; December 11, 1989, to February 15, 1990. A notice of receipt was published in the Federal Register of October 5, 1989 (54 FR 41156); no comments were received. The exemption was granted on the basis that the current situation is unchanged from 1988 and 1989 when use was granted. Residues of hydrogen cyanamide on table grapes are expected to be less than 0.1 ppm. There is sufficient confidence in the toxicological data for hydrogen cyanamide taken as a whole to estimate a preliminary limiting dose of 0.00022 mg/kg/day. Precautions on the label and in the authorizing telegram are adequate to protect mixers, loaders, applicators, and Coachella Valley fringed toed lizard. (Jim Tompkins)

3. California Department of Food and Agriculture for the use of triadimefon on artichokes to control powdery mildew; January 4, 1990, to December 31, 1990. (Susan Stanton)

4. California Department of Food and Agriculture for the use of fosetyl-Al (Aliette) on head and leaf lettuce to control metalaxyl-resistant downy mildew; January 24, 1990, to December 31, 1990. (Susan Stanton)

5. California Department of Food and Agriculture for the use of methyl bromide on watermelons to control weeds, pythuim spp., fusarium sp., verticillium sp., and root knot nematodes; January 10, 1990, to April 30, 1990. (Libby Pemberton)

6. Florida Department of Agriculture and Consumer Services for the use of thiobencarb on lettuce, endive, and celery to control barnyardgrass, purslane, and pigweed; January 17, 1990, to August 31, 1990. (Jim Tompkins)

7. Florida Department of Agriculture and Consumer Services for the use of methyl bromide on watermelons to control soil-borne pests; December 1, 1989, to April 1, 1990. (Libby Pemberton)

8. Florida Department of Agriculture and Consumer Services for the use of avermectin B_1 on celery to control two-spotted spider mites; January 25, 1990, to July 31, 1990. Florida had initiated a crisis exemption for this use. (Libby Pemberton)

9. Hawaii Department of Agriculture for the use of methyl bromide on ginger root to control nematodes; January 24, 1990, to January 19, 1991. (Robert Forrest)

10. Illinois Department of Agriculture for the use of sethoxydim on canola to control volunteer grains and grasses; December 1, 1989, to May 1, 1990. (Susan Stanton)

11. Oregon Department of Agriculture for the use chlorpyrifos on wheat to control Russian wheat aphid; December 13, 1989, to July 30, 1990. (Robert Forrest)

12. Tennessee Department of Agriculture for the use of chlorothalonil on mushrooms to control verticillium diseases; December 1, 1989, to November 15, 1990. (Susan Stanton)

Quarantine exemptions were granted to the:

1. United States Department of Agriculture/APHIS for 29 various uses to control quarantinably important pests around the country; January 10, 1990, to January 9, 1993. (Libby Pemberton)

2. United States Department of Agriculture/APHIS for the use of naled/methyl eugenol lure baits on nonfood sites to eradicate Oriental fruit flies and other *Dacus* spp.; December 17, 1989, to December 16, 1992. (Susan Stanton)

Authority: 7 U.S.C. 136.

Dated: April 11, 1990.

Douglas D. Campt,

Director, Office of Pesticide Programs.

[FR Doc. 90-10691 Filed 5-8-90; 8:45 am]

BILLING CODE 6560-50-D

[FRL-3764-3]

Clean Water Act Class II; Proposed Administrative Penalty Assessment and Opportunity To Comment Regarding Schuylkill Metals Corp. (Schuylkill)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of proposed administrative penalty assessment and Opportunity to comment regarding Schuylkill.

SUMMARY: EPA is providing notice of a proposed administrative penalty assessment for alleged violations of the Clean Water Act. EPA is also providing notice of opportunity to comment on the proposed penalty assessment. Under 33 U.S.C. 1319(g), EPA is authorized to issue orders assessing civil penalties for various violations of the Act. EPA may issue such orders after filing a Complaint commencing either a Class I or Class II penalty proceeding. EPA provides public notice of the proposed assessment pursuant to 33 U.S.C. 1319(g)(4)(a).

Class II proceedings are conducted under EPA's Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation and Suspension of Permits, 40 CFR part 22. The procedures by which the public may submit written comments on a proposed Class II order or participate in a Class II proceeding, and the procedures by which a respondent may request a hearing, are set forth in the Consolidated Rules. The deadline for submitting public comment on a proposed Class II order is thirty days after issuance of this public notice.

On April 17, 1990, EPA commenced the following Class II proceeding for the assessment of penalties by filing with the Regional Hearing Clerk, U.S. Environmental Protection Agency, Region VII, 726 Minnesota Avenue, Kansas City, Kansas 66101, (913) 551-7010, the following Complaint: In the Matter of Schuylkill Metals Corporation, EPA Docket No. VII 90-W-0003. The Complaint proposes a penalty of $93,000, for violations of the Clean Water Act.

FOR FURTHER INFORMATION CONTACT: Persons wishing to receive a copy of EPA's Consolidated Rules, review the Complaint or other documents filed in this proceeding, comment upon the proposed penalty assessment, or otherwise participate in the proceeding should contact the Regional Hearing Clerk identified above.

The administrative record for the proceeding is located in the EPA Regional Office at the address stated above, and the file will be open for public inspection during normal business hours. All information submitted by Schuylkill is available as part of the administrative record, subject to provisions of law restricting public disclosure of confidential information. In order to provide opportunity for public comment, EPA will issue no final order assessing a penalty in this proceeding for thirty days from the date of this Notice.

Dated: April 23, 1990.

Morris Kay,

Regional Administrator.

[FR Doc. 90-10644 Filed 5-8-90; 8:45 am]

BILLING CODE 6560-50-M

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Agency Report Forms Under OMB Review

AGENCY: Equal Employment Opportunity Commission.

ACTION: Request for comments.

SUMMARY: Under the provisions of the Paperwork Reduction Act (44 U.S.C. chapter 35), agencies are required to submit proposed information collection requests to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission. The proposed report form under review is listed below.

DATES: Comments must be received on or before June 25, 1990. If you anticipate commenting on a report form but find that time to prepare will prevent you from submitting comments promptly, you should advise the OMB Reviewer and the Agency Liaison Officer of your intent as early as possible.

ADDRESSES: Copies of the proposed report form, the request for clearance (S.F. 83), supporting statement, instructions, transmittal letters, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer. Comments on the item listed should be submitted to the Agency Clearance Officer and the OMB Reviewer.

FOR FURTHER INFORMATION CONTACT:

EEOC Agency Clearance Officer: Margaret P. Ulmer, Office of Management, Room 2220, 1801 L Street NW., Washington, DC 20507; Telephone (202) 663-4279.

OMB Reviewer: Joseph Lackey, Human Resources and Housing Branch, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, DC 20503; Telephone (202) 395-7316.

Type of Request—Extension (no change).

Title: Recordkeeping Requirements of Uniform Guidelines on Employee Selection Procedures.

Form Number: None.

Frequency of Report: None required.

Type of Respondent: Business/other institutions, State or local governments, farms.

Standard Industrial Classification (SIC) Code: Multiple.

Description of Affected Public: Any employer, labor organization, employment agency, covered by Federal equal employment opportunity laws.

Responses: 666,000.

Reporting Hours: 1,604,000.

Applicable under section 3504(h) of Public Law 96-511: Not applicable.

Number of Forms: None.

Abstract-Needs/Users: Data used by the EEOC and the co-signatures in investigating, conciliating, and litigating charges of employement discrimination, by complainants in establishing violations of Federal equal employment laws, and by respondents in defending against allegations of employment discrimination.

For the Commission.

R. Edison Elkins,

Management Director, Equal Employment Opportunity Commission.

[FR Doc. 90-10701 Filed 5-8-90; 8:45 am]

BILLING CODE 6570-06-M

FEDERAL COMMUNICATIONS COMMISSION

[GEN Docket No. 90-53; DA 90-642]

New England Region Public Safety Plan

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: The FCC is accepting the New England area's (Region 19's) plan for public safety. By accepting this plan, the FCC enables the licensing of the 821-824/866-869 MHz spectrum for public safety to begin.

EFFECTIVE DATE: May 3, 1990.

FOR FURTHER INFORMATION CONTACT: Maureen Cesaitis, Private Radio Bureau, Policy and Planning Branch, Washington, DC 20554, (202) 632-6497.

SUPPLEMENTARY INFORMATION: 1. On October 4, 1989, the New England Area (Region 19) submitted its public safety plan to the Commission for review. Region 19 is comprised of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut (except Fairfield, Litchfield, New Haven, and Middlesex Counties). The plan sets forth the guidelines to be followed in allotting spectrum to meet current and future mobile communications requirements of the public safety and special emergency entities operating in its region. On February 5, 1990, Region 19 filed revisions to the plan, based on conversations with the Commission's staff.

2. The Region 19 plan was placed on Public Notice for comments on February 22, 1990, 55 FR 6046 (Feb. 21, 1990). The Commission received no comments in this proceeding.

3. We have reviewed the plan submitted for Region 19 and find that it conforms with the National Public Safety Plan. The plan includes all the necessary elements specified in the *Report and Order* in Gen. Docket No. 87-112, 3 FCC Rcd 905 (1987), and satisfactorily provides for the current and projected mobile communications requirements of the public safety and special emergency entities in Region 19.

4. Accordingly, *It is ordered,* That the Public Safety Radio Plan for Region 19 is accepted. Furthermore, licensing of the 821-824/866-869 MHz band in Region 19 may commence immediately.

List of Subjects in the Public Safety Plan

Public safety, Special emergency, Trunking, Land mobile.

Federal Communications Commission.

Beverly G. Baker,

Deputy Chief, Private Radio Bureau.

[FR Doc. 90-10700 Filed 5-8-90; 8:45 am]

BILLING CODE 6712-01-M

FEDERAL MARITIME COMMISSION

Agreement(s) Filed

The Federal Maritime Commission hereby gives notice of the filing of the following agreements(s) pursuant to section 5 of the Shipping Act of 1984.

Interested parties may inspect and obtain a copy of each agreement at the Washington, DC Office of the Federal Maritime Commission, 1100 L Street, NW., Room 10325. Interested parties may submit comments on each agreement to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 10 days after the date of the **Federal Register** in which this notice appears. The requirements for comments are found in § 572.603 of Title 46 of the Code of Federal Regulations. Interested persons should consult this section before communicating with the Commission regarding a pending agreement.

Agreement No.: 232-011277.

Title: CarAmerica/Wallenius Space Charter and Cooperative Working Agreement.

Parties: CarAmerica, S.r.l. Wallenius Lines AB.

Synopsis: The proposed Agreement would authorize the one-way chartering of space to CarAmerica on vehicle carrier vessels owned or operated by Wallenius Lines which are from time to time made available in the trades from ports in Italy and Europe to U.S. ports. The parties may also discuss and agree upon the capacity of the vessels provided and their scheduling.

By Order of the Federal Maritime Commission.

Dated: May 3, 1990.

Joseph C. Polking,

Secretary.

[FR Doc. 90-10696 Filed 5-8-90; 8:45 am]

BILLING CODE 6730-01-M

FEDERAL RESERVE SYSTEM

Agency Forms Under Review; Extension of Comment Period

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Extension of public comment period.

SUMMARY: The Federal Reserve Board published for public comment proposed revisions to bank holding company reporting requirements, which appeared in the **Federal Register** on April 6, 1990, 55 FR 12894. The revisions are contained in the FR Y-9C, FR Y-9LP, and FR Y-9SP, "Consolidated Financial Statements for Bank Holding Companies; Parent Company Only Financial Statements for Bank Holding Companies; and Supplement to Consolidated Financial Statements for Bank Holding Companies" (OMB No. 7100-0128). The proposed revisions to the reports are to obtain information to assess risk-based capital and to obtain other supervisory information. Revisions are also contained in the FR Y-11Q and the FR Y-11AS, "Combined Financial Statements of Nonbank Subsidiaries of Bank Holding Companies" and "Combined Financial Statements of Nonbank Subsidiaries of Bank Holding Companies, by Type of Nonbank Subsidiary" (OMB No. 7100-0244). The notice provided that the comment period regarding these matters would expire on May 7, 1990. The Board has received several requests from commenters to extend the public comment period to enable the public to prepared adequate comments on the proposed revisions in writing. In response to these requests, the Secretary of the Board, acting pursuant to delegated authority, has decided to extend the public comment period on this matter until May 31, 1990.

DATES: The comment period has been extended, and now expires May 31, 1990.

ADDRESSES: All comments, which should refer to OMB Docket No. 7100-0128 and 7100-0244, should be addressed to Mr. William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, Washington, DC 20551, or delivered to room B-2222, 20th and Constitution Avenue NW., Washington, DC., Between 8:45 a.m. and 5:15 p.m. weekdays. Comments may be inspected in room B-1122 between 8:45 a.m. and 5:15 p.m. weekdays.

A copy of the comments may also be submitted to the OMB desk officer for the Board: Gary Waxman, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, room 3208, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: Stephen M. Lovette, Manager (202/452-3622) or Arleen E. Lustig, Senior Financial Analyst (202/452-2987), Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, Washington, DC 20551. Copies of the proposal may be requested from Frederick J. Schroeder, (202/452-3822), Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551.

By order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors of the Federal Reserve System, May 3, 1990.

William W. Wiles,

Secretary of the Board.

[FR Doc. 90-10760 Filed 5-8-90; 8:45 am]

BILLING CODE 6210-01-M

First American Bank Corp.

Formations of; Acquisitions by; and Mergers of Bank Holding Companies; Correction

This notice corrects a previous **Federal Register** Notice (FR Doc. 90-7561) published at page 12421 of the issue for Tuesday, April 3, 1990.

Under the Federal Reserve Bank of Chicago, the entry for First American Bank Corporation is amended to read as follows:

1. *First American Bank Corporation*, Elk Grove Village, Illinois; to acquire directly 1.32 percent, for a total of 21.47 percent, and indirectly, through its subsidiary, Northern Illinois Bancorp, Inc., Joliet, Illinois, 78.47 percent, for a combined total of 100 percent of the voting shares of Meadowview Bancorp, Inc., Kankakee, Illinois, and thereby indirectly acquire First National Bank of Kankakee County, Kankakee, Illinois.

Comments on this application must be received by May 23, 1990.

Board of Governors of the Federal Reserve System, May 3, 1990.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 90-10758 Filed 5-8-90; 8:45 am]

BILLING CODE 6210-01-M

Home Port Bancorp, Inc., et al.; Formations of; Acquisitions by; and Mergers of Bank Holding Companies

The companies listed in this notice have applied for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. 1842) and § 225.14 of the Board's Regulation Y (12 CFR 225.14) to become a bank holding company or to acquire a bank or bank holding company. The factors that are considered in acting on the applications are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Each application is available for immedidate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for

inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank of to the offices of the Board of Governors. Any comment on an application that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing.

Unless otherwise noted, comments regarding each of these applications must be received not later than May 29, 1990.

A. **Federal Reserve Bank of Boston** (Robert M. Brady, Vice President) 600 Atlantic Avenue, Boston, Massachusetts 02106:

1. *Home Port Bancorp, Inc.*, Nantucket, Massachusetts; to merge with Martha's Vineyard Bancorp, Inc., Vineyard Haven, Massachusetts, and thereby indirectly acquire Martha's Vineyard National Bank, Vineyard Haven, Massachusetts.

B. **Federal Reserve Bank of Kansas City** (Thomas M. Hoenig, Vice President) 925 Grand Avenue, Kansas City, Missouri 64198:

1. *Barrett Holding Company*, Watonga, Oklahoma; to become a bank holding company by acquiring 25.69 percent of the voting shares of Watonga Bancshares, Inc., Watonga, Oklahoma, and thereby indirectly acquire Watonga State Bank, Watonga, Oklahoma.

Board of Governors of the Federal Reserve System, May 3, 1990.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 90-10759 Filed 5-8-90; 8:45 am]

BILLING CODE 6210-01-M

FEDERAL TRADE COMMISSION

Granting of Request for Early Termination of the Waiting Period Under the Premerger Notification Rules

Section 7A of the Clayton Act, 115 U.S.C. 18a, as added by Title II of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, requires persons contemplating certain mergers or acquisitions to give the Federal Trade Commission and the Assistant Attorney General advance notice and to wait designated periods before consummation of such plans. Section 7A(b)(2) of the Act permits the agencies, in individual cases, to terminate this waiting period prior to its expiration and requires that notice of this action be published in the **Federal Register.**

The following transactions were granted early termination of the waiting period provided by law and the premerger notification rules. The grants were made by the Federal Trade Commission and the Assistant Attorney General for the Antitrust Division of the Department of Justice. Neither agency intends to take any action with respect to these proposed acquisitions during the applicable waiting period.

TRANSACTIONS GRANTED EARLY TERMINATION BETWEEN: 041690 AND 042790

Name of acquiring person, name of acquired person, name of acquired entity	PMN No.	Date terminated
BEI Electronics, Inc., Thorn EMI, plc, Systron Donner Corporation	90-1224	04/16/90
Warburg, Pincus Capital Company, L.P., Ampco-Pittsburgh Corporation, Westport-York Limited Partnership	90-1287	04/16/90
Ito-Yokado Co., Ltd., The Philp Co. Trust, The Southland Corporation	90-1288	04/16/90
Trinity Industries, Inc., Ashland Oil, Inc., Beaird Industries, Inc.	90-0849	04/17/90
HMK Enterprises, Inc., First Wall Street Settlement Corporation, Pinpoint, Inc.	90-1180	04/17/90
Mitsubishi Kasei Corporation, Eastman Kodak Co., Verbatim Corporation	90-1197	04/17/90
U.S. Vision, Inc., Royal International Optical Corporation, Royal International Optical Corporation	90-1200	04/17/90
Serge Kampf, David A. Teiger, United Research Co., Inc. and United Research Group	90-1293	04/17/90
Lee J. Styslinger, Jr., Evergreen Capital Corp., Sterling Industrial Corp., Sterling Rotary Corp.	90-1217	04/18/90
Kenneth R. Thomson, Rand McNally & Company, Rand McNally & Company	90-1236	04/18/90
Salomon Inc., American Express Company, Shearson Lehman Hutton Inc.	90-1238	04/18/90
Electrowatt Ltd., Freeport-McMoRan Inc., Freeport-McMoRan Resource Partners	90-1256	04/18/90
Davy Corporation plc, Societe' Parisienne d'Entreprises et de Participations, Clecim S.A.	90-1281	04/18/90
Cardinal Distribution, Inc., Ohio Valley-Clarksburg, Inc., Ohio Valley-Clarksburg, Inc.	90-1208	04/20/90
Gerald W. Schwartz, AMDURA Corporation, Crosby Group, Inc.	90-1214	04/20/90
HostMasters, Inc., TW Holdings, Inc., American Medical Services, Inc.	90-1283	04/20/90
Darr Equipment Co., E.R. Albert, Jr., Albert Equipment Co., Inc.	90-1294	04/20/90
United Newspapers plc, Steven F. Lewis, Pacifica Publishing Corporation	90-1299	04/20/90
Steuart Investment Company, Thomas V. Patton, Trtion Incorporated	90-1306	04/20/90
ENI International Holdings B.V., Thomas V. Patton, Triton Incorporated	90-1307	04/20/90
Nippon Shinpan Co., Ltd., Christopher Skase, Quintex Resorts B.V.	90-1314	04/20/90
LaSalle Fund III, CJD Venture #1, Naples Shopping Ltd.	90-1316	04/20/90
LaSalle Fund IV, CJD Venture #1 Naples Shopping Ltd.,	90-1317	04/20/90
Kelso Investment Associates IV, L.P., Mosler Inc., Mosler Inc.	90-1321	04/20/90
U.S. Prime Property Inc., International Income Property Inc., International Income Property Inc.	90-1335	04/20/90
Corning Incorporated, Unilab Holdings S.A., Unilab Corporation	90-1234	04/23/90
Mr. Udo Schutz, OII Associates, L.P., Owens-Illinois Plastic Products, Inc.	90-1252	04/25/90
Harrisons & Crosfields PLC, Pfizer Inc., Pfizer Pigments Inc.	90-1242	04/27/90
Richard L. Scott, Columbia Hospital Corporation, Columbia Hospital Corporation	90-1341	04/27/90
Richard E. Rainwater, Columbia Hospital Corporation, Columbia Hospital Corporation	90-1345	04/27/90
Richard L. Scott, Smith Laboratories, Inc., Smith Laboratories, Inc.	90-1348	04/27/90

FOR FURTHER INFORMATION CONTACT:

Sandra M. Peay or Renee A. Horton, Contact Representatives

Federal Trade Commission, Premerger Notification Office, Bureau of Competition, room 303, Washington, DC 20580 (202) 326-3100.

By Direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 90-10801 Filed 5-8-90; 8:45 am]

BILLING CODE 6750-01-M

[Docket No. 9235]

Imo Industries, Inc.; Prohibited Trade Practices, and Affirmative Corrective Actions

AGENCY: Federal Trade Commission.

ACTION: Consent order.

SUMMARY: In settlement of alleged violations of Federal law prohibiting unfair acts and practices and unfair methods of competition, this consent order requires, among other things, a Lawrenceville, NJ, based corporation to seek prior FTC approval, for a period of ten years, before acquiring any company that has manufactured and sold 25 millimeter second generation image intensifier tubes in the United States, or that has sold such tubes to the U.S. Department of Defense at any time since January 1, 1988. In addition, for ten years, respondent is required to notify the Commission at least 30 days prior to any proposed corporate changes that may affect compliance with the order.

DATES: Complaint issued November 8, 1989. Order issued April 25, 1990 [1].

FOR FURTHER INFORMATION CONTACT: Ann Malester, FTC/S-2308, Washington, DC 20580. (202) 326-2682.

SUPPLEMENTARY INFORMATION: On Tuesday, February 13, 1990, there was published in the **Federal Register**, 55 FR 5068, a proposed consent agreement with analysis In the Matter of Imo Industries, Inc., for the purpose of soliciting public comment. Interested parties were given sixty (60) days in which to submit comments, suggestions or objections regarding the proposed form of order.

No comments having been received, the Commission has ordered the issuance of the complaint in the form contemplated by the agreement, made its jurisdictional findings and entered an order in disposition of this proceeding.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 7, 38 Stat. 731, as amended; 15 U.S.C. 45, 18)

Benjamin I. Berman,

Acting Secretary.

[FR Doc. 90-10800 Filed 5-8-90; 8:45 am]

BILLING CODE 6750-01-M

[1] Copies of the Complaint and the Decision and Order are available from the Commission's Public Reference Branch, H-130, 6th Street and Pennsylvania Avenue NW., Washington, DC 20580.

GENERAL SERVICES ADMINISTRATION

Information Collection Activities Under Office of Management and Budget Review

AGENCY: Federal Property Resources Service (DRO), GSA.

SUMMARY: The GSA hereby gives notice under the Paperwork Reduction Act of 1980 that it is requesting the Office of Management and Budget (OMB) to renew expiring information collection 3090-0011, Application for Placement on GSA Register of Available Real Estate Appraisers. A GSA Form 1195 is used by independent fee appraisers to present their qualifications for placement on the GSA Register of Available Real Estate Appraisers.

ADDRESSES: Send comments to Bruce McConnell, GSA Desk Officer, room 3235, NEOB, Washington, DC, 20503, and to Mary L. Cunningham, GSA Clearance Officer, General Services Administration (CAIR), 18th & F Street NW., Washington, DC 20405.

Annual Reporting Burden:

Respondents: 150; *annual responses:* 1.0; *average hours per response:* 0.5000; *burden hours:* 75.

FOR FURTHER INFORMATION CONTACT: Ronald Peppe, (202) 501-2072.

Copy of Proposal: May be obtained from the Information Collection Management Branch (CAIR), Room 3014, GSA Building, 18th & F St. NW., Washington, DC 20405, by telephoning (202) 501-1659, or by faxing your request to (202) 501-2727.

Dated: April 30, 1990.

Emily C. Karam,

Director, Information Management Division.

[FR Doc. 90-10777 Filed 5-8-90; 8:45 am]

BILLING CODE 6820-96-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control

Cooperative Research and Development Agreement

AGENCY: Centers for Disease Control (CDC), Public Health Service, HHS.

ACTION: Notice.

SUMMARY: The Centers for Disease Control (CDC), Center for Infectious Diseases (CID), Division of Viral and Rickettsial Diseases (DVRD), Special Pathogens Branch (SPB), announces the opportunity for potential collaborators to enter into a Cooperative Research and Development Agreement (CRADA) to evaluate and commercialize technologies for the rapid and specific detection of current or past infections with Filoviruses, including but not limited to Ebola Virus, in specimens obtained from nonhuman primates. The collaborators(s) and CDC will jointly evaluate existing serological assays including (1) fluorescent antibody screening techniques, (2) Western blot methods, and/or (3) nucleic acid enhancement procedures using polymerase chain reaction (PCR) methods and begin to develop enzyme immunoassays. Fluorescent antibody screening techniques developed at CDC will be evaluated and the technology transferred for commercialization. PCR methods which are specific for Filovirus gene segments have been developed at CDC and will be evaluated and made available for commercialization. Immunoassays to detect Ebola virus antibodies will be developed and evaluated using CDC produced Ebola-baculovirus expressed gene products. CDC will provide training (including appropriate safety training) for specialized techniques, P-4 laboratory facilities, specialized reagents (e.g. monoclonal antibodies, nucleic acid primers, inactivated antigens, and genetically expressed viral antigens including recombinant antigens) and technical expertise for evaluating the assays. CDC will also provide original specimens for evaluating the method(s).

It is anticipated that all inventions which may arise from this CRADA will be jointly owned by CDC and the collaborator(s). The CDC will grant an option to the collaborator(s) to negotiate an exclusive, royalty bearing license for CDC owned technology. The CRADA will be executed for a 2-year period with the possibility of renewal.

CRADAs are designed to facilitate the development of scientific and technological knowledge into useful, marketable products. Federal laboratories have a great deal of freedom in implementing collaborative research. The CDC may accept staff, facilities, equipment, supplies, and money from the other participants in a CRADA; CDC may provide staff, facilities, equipment, and supplies to the project. There is a single restriction in this exchange: CDC may not provide funds to the other participants in a CRADA.

SUPPLEMENTARY INFORMATION: This opportunity is available until 30 days after publication of this notice. Respondents may be provided a longer

period of time to furnish additional information if CDC finds this necessary. For additional information contact:

Technical Contact(s):

Harriet H. Walls or Susan P. Fisher-Hoch, M.D., Division of Viral Diseases, Center for Infectious Diseases, Centers for Disease Control, 1600 Clifton Road, NE., Mailstop A30, Atlanta, GA 30333, telephone (404) 639–1115.

Business Contact:

Nancy C. Bridger, Technology Transfer Representative, Center for Infectious Diseases, Centers for Disease Control, 1600 Clifton Road, NE., Mailstop C19, Atlanta, GA 30333, telephone (404) 639–3766.

Respondents should provide evidence of expertise in the development and evaluation of immunoassays or PCR procedures, evidence of experience in commercialization of products for diagnostic use, and supporting data (e.g. publications, proficiency testing, certifications, resumes, etc.) of qualifications for the laboratory director and laboratory personnel who would be involved in the CRADA. The respondent will develop the final research plan in collaboration with CDC but should provide an outline of a research plan for review by CDC in judging applications.

Applicants will be judged according to the following criteria:

1. Soundness of the analytic approach and research plan;

2. Evidence of appropriate personnel to complete the project in a timely fashion or evidence of a plan to recruit and fund personnel appropriate for the project;

3. Evidence of scientific credibility; and

4. Evidence of commitment and ability to develop and evaluate immunologic tests to the level of a product which will benefit the public interest.

This CRADA is proposed and implemented under the 1986 Federal Technology Transfer Act: Public Law 99–502.

The responses must be made to: R. Eric Greene, Technology Transfer Coordinator, Centers for Disease Control, 1600 Clifton, Road, NE., Mailstop A20, Atlanta, GA 30333.

Dated: May 3, 1990.

Signed by:

Robert L. Foster,

Acting Director, Office of Program Support, Centers for Disease Control.

[FR Doc. 90–10785 Filed 5–8–90; 8:45 am]

BILLING CODE 4160–18–M

[Announcement Number 038]

National Institute for Occupational Safety and Health; Cooperative Agreement for a Model Construction Safety and Health Program

Introduction

The Centers for Disease Control (CDC), National Institute for Occupational Safety and Health (NIOSH), announces the availability of Fiscal Year 1990 funds for a cooperative agreement award to establish and operate one Model Construction Safety and Health Program.

Authority

This program is authorized under section 20(a) of the Occupational Safety and Health Act of 1970 [29 U.S.C. 669(a)]. Program regulations applicable to this cooperative agreement are set forth in title 42, part 87, of the Code of Federal Regulations entitled "National Institute for Occupational Safety and Health Research and Demonstration Grants."

Eligible Applicants

Eligible applicants include nonprofit and for profit organizations. Thus, universities, colleges, research institutions, hospitals, and other public and private organizations, state and local health departments and small, minority and/or women-owned businesses are eligible for this cooperative agreement.

Availability of Funds

Approximately $145,000 will be available in Fiscal Year 1990 to fund one award. It is expected that the award will be made on or about September 28, 1990, with 12-month budget periods within a 3-year project period. It is anticipated that $300,000 will be available for continued funding in the second and third years of the project period. The funding estimates outlined above may vary and are subject to change. Continuation awards within the project period will be made on the basis of satisfactory progress in meeting the project objectives and on the availability of funds.

Purpose

The purpose of this project is to develop and implement a model statewide construction industry safety and health program. The goal of the program is to reduce the toll of occupational injuries and illnesses in the construction industry within the awardee's state. This goal is to be accomplished by identifying the leading work-related diseases and injuries in the construction industry in that state, assisting in the application of controls at the work site, promoting and providing safety and health training, promoting safety and health program management techniques, and establishing a construction safety and health association to continue the effort of preventing injuries and illnesses.

The objectives for the Model Construction Safety and Health Program are as follows:

1. Identify the prevalent injuries/illnesses resulting from construction activities in the state.

2. Promote hazard awareness among all construction employers and employees. A goal of this program is that 50% of all construction employers and employees statewide can state their occupational safety and health risks and ways to avoid or reduce these risks by the end of the project period.

3. Promote work site implementation of injury/illness prevention measures throughout the construction industry for the prevalent types of injury/illness-producing incidents.

4. Promote implementation of safety and health program management techniques by all construction employers, especially those employers with few than 50 employees.

5. Implement risk communication techniques throughout the construction industry statewide.

6. Establish a construction safety and health association within the state to serve the needs of the industry. Develop and implement a method of funding the association so that it will continue to function after the end of the project period.

Program Requirements

The nature and extent of the project activities are described below:

A. Recipient Activities

1. Develop, in collaboration with NIOSH, a plan for identifying and reporting the prevalent injuries/illnesses resulting from construction activities throughout the state.

2. Develop a listing of all construction employers performing work in the state. This listing should be stratified by the primary type of work performed by the employer.

3. Sponsor safety and health consultation services for all construction employers in the state. The emphasis of this program should be aimed at employers with fewer than 50 employees.

4. Sponsor and conduct occupational safety and health training and education

programs throughout the state for construction managers and employees.

5. Distribute construction-related safety and health information to construction employers and employees.

6. Solicit cooperation of employers in applying or evaluating injury/illness prevention strategies in the workplace. In collaboration with NIOSH, evaluate the effectiveness of such applied interventions.

7. Develop and implement a strategy for the establishment and maintenance of a statewide construction safety and health association.

8. Evaluate the circumstances of all traumatic fatal incidents resulting from construction activities and all severe injuries resulting from falls from elevations, contact with electricity, heavy machinery, and motor vehicle accidents.

B. CDC/NIOSH Activities

1. Provide assistance in analyzing the state's construction injury/illness data for identifying and reporting the prevalent injury/illness problems.

2. Provide technical assistance by conducting job site health/injury hazard evaluations requested by the recipient, construction employers, or employee representatives.

3. Assist in the development and conduct of training programs offered through this cooperative agreement.

4. Assist in developing and implementing intervention strategies to be applied at work sites.

5. Provide assistance in evaluating the circumstances of traumatic fatalities and severe injuries.

6. Assist in communicating risk to the construction industry statewide.

7. Provide assistance with development and design of research and demonstration projects the recipient deems essential for improving safety and health in the industry.

Evaluation Criteria

A CDC-convened ad hoc committee will review the applications. The review will be based on the evidence submitted which specifically describes the applicant's ability to meet the following criteria:

1. The feasibility of the applicant's plans and proposed methods for meeting the project objectives supported by anticipated activities and a timetable for implementing the strategy. (50%)

2. The applicant's understanding of the need or problem to be addressed and the purpose of this cooperative agreement. (10%)

3. A clearly defined method for evaluating accomplishment of the scheduled activities. (10%)

4. A delineation of the respective responsibilities of the applicant, NIOSH, and other anticipated involvements of state agencies and construction industry constituents. (10%)

5. The qualifications and appropriateness of proposed program staff and required external support groups with proposed time allocations to meet the objectives. The facilities, space and equipment available for performance of the project. The capability of the applicant's structure to foster safety and health promotion in the construction industry statewide. (10%)

6. The proposed plan for administering this project and the name, qualifications, and time allocations of the individual whom the applicant proposes to make responsible for its administration. (10%)

7. A detailed budget which indicates distribution of anticipated costs for personnel, travel, communications and postage, equipment, and supplies, etc. and is reasonable. (Not scored)

Executive Order 12372 Review

The intergovernmental review requirements of Executive Order 12372, as implmented through DHHS regulations in 45 CFR 100, are applicable to this program. Through this process, states are provided the opportunity to review and comment on applications for federal financial assistance. Applicants should contact the state's single point of contact (SPOC) as early as possible to determined the applicable procedure. A current listing of all SPOC's will be enclosed with the application kit. Applicants should note that comments received from the state will be considered as a factor in the review of their applications.

Catalog of Federal Domestic Assistance Number

The Catalog of Federal Domestic Assistance (CFDA) Number for this program is 13.262.

Application Submission and Deadline

The original and two copies of the application (Form 5161-1) must be submitted to Henry S. Cassell, III, Grants Management Officer, Grants Management Branch, Procurement and Grants Office, Centers for Disease Control, 255 East Paces Ferry Road, NE., room 300, Atlanta, Georgia 30305 on or before June 29, 1990.

1. Deadline: Applications shall be considered as meeting the deadline if they are either:

a. Received on or before the deadline date, or

b. Sent on or before the deadline date and received in time for submission to the review group. Applicants must request a legibly dated U.S. Postal Service postmark or obtain a legibly dated receipt from a commercial carrier or the U.S. Postal Service. Private metered postmarks shall not be acceptable as proof of timely mailing.

2. Late Applications: Applications which do not meet the criteria in 1.a. or 1.b. above are considered late applications and will be returned to the applicant.

Where to Obtain Additional Information

A complete program description, information on application procedures and application package may be obtained from Carole J. Tully, Grants Management Specialists, Grants Management Branch, Procurement and Grants Office, Centers for Disease Control, 255 East Paces Ferry Road, NE., room 300, Atlanta, Georgia 30305, (404) 842-6630 or FTS 236-6630.

Please refer to Announcement Number 038 when requesting information and submitting an application.

Technical assistance may be obtained from NIOSH's Division of Safety Research in Morgantown, West Virginia, by contacting:

Thomas R. Bender, M.D, M.P.H., Director, Division of Safety Research, 944 Chestnut Ridge Road, Morgantown, West Virginia 26505, Phone: (304) 291-4595.

or

Ronald L. Stanevich, Safety Engineer, Division of Safety Research, 944 Chestnut Ridge Road, Morgantown, West Virginia 26505, Phone: (304) 291-4531.

Dated: May 3, 1990.

Signed by:

Larry W. Sparks,

Acting Director, National Institute for Occupational Safety, and Health.

[FR Doc. 90-10784 Filed 5-8-90; 8:45 am]

BILLING CODE 4160-19-M

Health Resources and Services Administration

Program Announcement and Funding Priority for Grants for Faculty Training Projects in Geriatric Medicine and Dentistry

The Health Resources and Services Administration (HRSA) announces the acceptance of applications for Fiscal Year (FY) 1991 for Grants for Faculty Training Projects in Geriatric Medicine and Dentristry authorized by section 789(b), formerly section 788(e) of the Public Health Service (PHS) Act, as

amended by the Health Professions Reauthorization Act of 1988, title VI of Public Law 100–607.

Section 789(b) authorizes the award of grants to accredited public or private nonprofit schools of medicine or osteopathic medicine, public or private nonprofit teaching hospitals or graduate medical education programs to provide support including traineeships and fellowships to train physicians and dentists who plan to teach geriatric medicine or geriatric dentistry. One-year retraining programs, and one-year or two-year fellowship programs are eligible for support. Public Law 100–607 added the term "residencies" as a third mechanism for providing financial assistances to participating fellows. Participants in programs supported by this authority fellowship support at levels established by the PHS based on an individual's training and experience. There are currently no accredited residency programs in geriatrics and no process in place to accredit such programs. Therefore, this new provision is not being implemented during the 1991 application cycle. If accredited geriatric residency training programs are established in the future, this provision will be implemented.

The Administration's budget request for FY 1991 does not include funding for this program. Applicants should be advised that this program announcement is a contingency action being taken to ensure that should funds become available for this purpose, they can be awarded in a timely fashion consistent with the needs of the programs as well as to provide for even distribution of funds throughout the fiscal year. This notice regarding applications does not reflect any change in this policy.

Section 789(b) requires that geriatrics training be provided through one or both of the following training options:

a. A one-year retraining program in geriatrics for physicians who are faculty members in the departments of internal medicine, family medicine, gynecology, geriatrics, and psychiatry at schools of medicine and osteopathic medicine, and dentists who are faculty members at schools of dentistry or at hospital departments of dentistry; and

b. A one-year or two-year internal medicine or family medicine fellowship program with emphasis in geriatrics, which shall provide training in clinical geriatrics and geriatric research for physicians who have completed graduate medical education programs in internal medicine, family medicine, psychiatry, neurology, gynecology, or rehabilitation medicine, and dentists who have completed postdoctoral dental education programs.

The nonstatutory requirements, review criteria and funding priority included in this notice were established in 1988, after an invitation for public comment, in the **Federal Register** of June 2, 1988 (53 FR 20176). No comments were received. The requirements, review criteria and funding priority are being extended for FY 1991.

Project Requirements

A project supported under section 789(b) must be conducted in accordance with the following requirements:

a. The project must have a project director who is employed full time by the grantee institution;

b. Projects must have an appropriate administrative and organizational plan, and adequate faculty, physical, and administrative resources for the achievement of stated objectives;

c. Projects must systematically evaluate the training program, including the performance and competence of trainees and faculty, the administration of the program, and the degree to which program and educational objectives are met;

d. The project must be under the programmatic control of a graduate medical education program in internal medicine or family medicine (including osteopathic general practice) or in a department of geriatrics in existence as of December 1, 1987;

e. The project must be staffed by at least two physicians in full-time teaching positions who have experience or training in geriatric medicine and be staffed, or enter into an agreement with an institution staffed, by at least one dentist who is employed in a full- or part-time teaching position and has experience or training in geriatrics;

f. The project must provide fellows with exposure to a diverse population of elderly individuals. The population must include:

1. Elderly in various levels of wellness from fully independent and well, to patients confined to bed with serious illness; and

2. Elderly from a range of socioeconomic, racial and ethnic backgrounds;

g. The project must provide medical and dental training experiences in:

1. An ambulatory care setting;

2. An inpatient service; and

3. An extended care facility.

During the course of the training, each fellow must receive experience in primary care, consultation, and longitudinal care;

h. Fellowship programs must have a curriculum which includes training in clinical geriatrics, teaching skills, administrative skills, and research skills for physicians and dentists;

i. Retraining programs must provide 1 year of full-time training suited to the individual needs of each fellow. To assure that the needs of all fellows can be met, each retraining program must have the resources available to provide clinical, research, administrative, and teacher-training experience; and

j. Effective in the second year of grant support, a minimum of three entering fellows, including at least one physician and one dentist, must be enrolled in each training program for which grant support is received.

Review Criteria

The Secretary, after consultation with the National Advisory Council on Health Professions Education will approve or disapprove all applications taking into consideration the following review criteria:

1. The extent to which the proposed training program will prepare physicians and dentists to perform the research, training, administrative and clinical duties of a faculty member specializing in geriatrics;

2. The degree to which the project plan adequately provides for meeting the project requirements;

3. The administrative, management and resource capability of the applicant to carry out the proposed project in a cost-effective manner;

4. The potential for the applicant to continue the program without Federal support after completion of the approved project period; and

5. The extent to which the project will increase the number of geriatric fellowship and retraining positions available for individuals who want to prepare for academic careers in geriatric medicine and dentistry.

Funding Priority

A funding priority will continue to be given to applicants which demonstrate an enrollment of underrepresented minorities in proportion to or greater than their percentage in the general population or can document an increase in the number of underrepresented minorities (i.e., Black, Hispanic and American Indian/Alaskan Native minority trainees). The need to increase training opportunities for minorities in health professions continues to be a top national priority. This priority is consistent with funding considerations in other Title VII programs.

Application materials will not be automatically mailed to prospective applicants. Thus, requests for

application materials and questions regarding grants policy should be directed to: Grants Management Officer (D-31), Bureau of Health Professions, Health Resources and Services Administration, Parklawn Building, Room 8C-26, 5600 Fishers Lane, Rockville, Maryland 20857, Telephone: (301) 443-6857.

Completed applications should be mailed to the Grants Management Officer at the above address.

Should additional programmatic information be required, please contact: Primary Care Medical Education Branch, Division of Medicine, Bureau of Health Professions, Health Resources and Services Administration, Parklawn Building, Room 4C-25, 5600 Fishers Lane, Rockville, Maryland 20857, Telephone: (301) 443-3614.

The standard application form and general instructions Form PHS 6025-1 HRSA Competing Training Grant Application have been approved by the Office of Management and Budget. The supplemental instructions will be submitted for OMB approval. To receive consideration, applications must meet the deadline of June 29, 1990, which means they must either be:

1. *Received* on or before the deadline date, or

2. *Postmarked* on or before the deadline and received in time for submission to the independent review group. A legibly dated receipt from a commercial carrier or U.S. Postal Service will be accepted in lieu of a postmark. Private metered postmarks shall not be acceptable as proof of timely mailing. Applications received after the deadline will be returned to the applicant.

This program is listed at 13.156 in the Catalog of Federal Domestic Assistance. It is not subject to the provisions of Executive Order 12372, Intergovernmental Review of Federal Programs (as implemented through 45 CFR part 100).

Dated: April 12, 1990.

Robert G. Harmon,

Administrator.

[FR Doc. 90-10710 Filed 5-8-90; 8:45 am]

BILLING CODE 4160-15-M

National Institutes of Health

Consensus Development Conference On Treatment of Early-Stage Breast Cancer

Notice is hereby given on the NIH Consensus Development Conference on "Treatment of Early-Stage Breast Cancer" sponsored by the National Cancer Institute and by the NIH Office of Medical Applications of Research. The conference will be held June 18-21, 1990 in the Masur Auditorium of the Warren Grant Magnuson Clinical Center (Building 10) at the National Institutes of Health, 9000 Rockville Pike, Bethesda, Maryland, 20892.

The management of patients with early-stage breast cancer has evolved rapidly over the past 20 years. Strategies to treat the primary tumor as well as distant micrometastases have been the subjects of worldwide clincial investigation. Since 1985, a number of randomized clinical trials have evaluated different approaches to two treatment strategies for patients with early-stage breast cancer: breast conservation and systemic adjuvant therapy for patients whose axillary lymph nodes test negative for tumor growth.

Considerable controversy exists, however, as to which patients should be selected for breast conservation and which parties with node-negative breast cancer should be selected for adjuvant therapy. The conference will bring together surgical, radiation, and medical oncologists, pathologists and other laboratory scientists, biostatisticians, psychologists, nurses, and other health care professionals as well as representatives of the public.

Following two days of presentations and discussions by the audience, an independent consensus panel will weight the scientific evidence and write a draft statement in response to the following key questions:

• What are the roles of mastectomy versus breast conservation in the treatment of early-stage breast cancer?

• What are the optimal techniques for breast conservation?

• What is the role of adjuvant therapy for patients with node-negative breast cancer?

• How should prognostic factors be used in the management of node-negative breast cancer?

• What are the directions for future research?

On the final day of the meeting, the consensus panel chairman will read the draft statement to the conference audience and invite comments and questions.

Information on the program may be obtained from: Prospect Associates, 1801 Rockville Pike, Suite 500, Rockville, Maryland 20852, (301) 468-6338.

Dated: May 2, 1990.

William Raub,

Acting Director, National Institutes of Health.

[FR Doc. 90-10752 Filed 5-8-90; 8:45 am]

BILLING CODE 4140-01-M

National Heart, Lung, and Blood Institute; Meeting of the Sickle Cell Disease Advisory Committee

Pursuant to Public Law 92-463, notice is hereby given of the meeting of the Sickle Cell Disease Advisory Committee, National Heart, Lung, and Blood Institute, June 8, 1990. The meeting will be held at the National Institutes of Health, Building 31, Conference Room 7, C-Wing, Bethesda, Maryland 20892.

The entire meeting will be open to the public from 9 a.m. to 5 p.m. to discuss recommendations on the implementation and evaluation of the Sickle Cell Disease Program. Attendance by the public will be limited to space available.

Ms. Terry Bellicha, Chief, Communications and Public Information Branch National Heart, Lung, and Blood Institute, National Institute of Health, Building 31, Room 4A21, Bethesda, Maryland 20892, (301) 496-4236, will provide a summary of the meeting and a roster of the committee members upon request.

Dr. Clarice D. Reid, Chief, Sickle Cell Disease Branch, Division of Blood Diseases and Resources, NHLBI, Federal Building, Room 508, Bethesda, Maryland 20982, (301) 496-6931, will furnish substantive program information.

(Catolog of Federal Domestic Assistance Program No. 13.839, Blood Diseases and Resources Research, National Institutes of Health)

Dated: May 2, 1990.

Betty J. Beveridge,

Committee Management Officer, National Institutes of Health.

[FR Doc. 90-10753 Filed 5-8-90; 8:45 am]

BILLING CODE 4140-01-M

Public Health Service

Agency Forms Submitted to the Office of Management and Budget for Clearance

The following request has been submitted to the Office of Management and Budget (OMB) for clearance in compliance with the Paperwork Reduction Act (44 U.S.C. chapter 35).

Expedited review by OMB has been requested as described below.

Call PHS Reports Clearance Officer on 202-245-2100 for copy of the package.

Evaluation of the NIH/NASA High School Curriculum Supplement "Human Physiology in Space: A Program for America"—NEW—This study will evaluate a new high school curriculum supplement, developed by the National Aeronautics and Space Administration (NASA) with technical review by the National Institutes of Health (NIH), to be used in high school courses in the biological sciences. The curriculum is focused around a NASA/NIH collaborative project involving the Spacelab Life Sciences Mission scheduled for August 1990, which will examine how living and working in space affects the human body.

During the Spring of 1990 the curriculum supplement is being used in a pilot project in New Mexico. Questionnaires have been developed for the participating teachers and their students to: (1) Identify any problems of teachers in using the supplemental materials in the classroom; (2) develop and test evaluation instruments to measure the impact of the program on student interest in the sciences; (3) measure the effectiveness of the special supplementary materials and the suggested classroom approach for their use in order to achieve the project's goals; and, (4) refine the goals of the project.

The evaluation will provide the basis for NIH and NASA policy makers to determine whether to use resources in the refinement, development, distribution, and/or further evaluation of this or similar curriculum supplements.

	Number of respondents	Number of hours per response	Number of responses per respondent
Teacher questionnaire	81	.583	1
Student questionnaire	5,980	.25	1
Estimated annual burden		1,543.	

Additional Information: This study is sponsored by the National Institutes of Health, under legislative authorization of 42 U.S.C. 288b, which requires the Secretary of the Department of Health and Human Services to study continuously the Nation's overall need for biomedical and behavioral research personnel and to take action to see that those needs are met. The study reflects the common interests of NIH and NASA to stimulate the interest of young people in careers in science.

It is essential that information be obtained from teachers and students exposed to the curriculum during the current school semester for the following reasons: (1) Those teachers who do not like the program will drop out of the teacher universe, leaving only those who liked it. (2) For accurate results, the survey must be performed as soon as possible after the material is used in the classroom. (3) A majority of the students exposed to the curriculum supplement are seniors and will be out of classes by the end of May. Therefore, OMB has been requested to review and approve the study on an expedited basis. OMB approval has been requested by not later than Tuesday, May 15. In keeping with the requirements for expedited review, we are publishing the complete set of data collection instruments and any accompanying instructions.

OMB Desk Officer: Angela Antonelli.

Because of the time frame in which OMB has been asked to act on this submission, any comments and recommendations for the proposed information collection should be provided directly to the OMB Desk Officer designated above by telephone at (202) 395-7316 or by express mail at the following address: Human Resources and Housing Branch, New Executive Office Building, Room 3002, Washington, DC 20503.

Dated: May 3, 1990.

James M. Friedman,

Acting Deputy Assistant Secretary for Health (Planning and Evaluation).

BILLING CODE 4140-01-M

OMB #: ____________
Exp. Date: ____________

**HUMAN PHYSIOLOGY IN SPACE:
A PROGRAM FOR AMERICA**

Instructions for Completing

Evaluation Questionnaires

The National Aeronautics and Space Administration (NASA) and the National Institutes of Health (NIH) are delighted that you and your students have participated in this special pilot program. We hope that the experience has been a positive one, but, in any case, we would like you and your students to take a few minutes to tell us about your reactions to the pilot program material. It should take your students no longer than about 15 minutes to answer the questions on their questionnaire, and it should take you only a little longer to answer the questions that we have provided for you. Although completion of the questionnaires is voluntary, the information you and your students provide will be important as we plan for the future development and use of such materials. Thank you in advance for participating in the evaluation phase of this program.

This package contains two groups of questionnaires; one for the students to complete and one for you to complete. It is recommended that you follow these steps to complete your part of the program's evaluation phase:

1. Administer the student questionnaire. Please allow the students to complete this questionnaire during their regular class period as soon as feasible after you have completed use of the materials in your classroom.
2. Complete the teacher questionnaire. Note that the teacher questionnaire package also contains a form that you may use to order additional student manuals for your classroom next year (to replace the manuals you let your students keep this year).
3. Return all materials in the envelope provided by ____________. All unused evaluation materials should be returned together with the completed questionnaires.

All responses are confidential. No specific identifying information that could link specific information to a specific teacher or student is requested on the questionnaire. Once a package is received from a teacher, the teacher's name is

checked on a record sheet, and all materials are separated into (a) teacher questionnaires, (b) student questionnaires, and (c) student manual request forms.

STUDENT QUESTIONNAIRE

Please administer the student questionnaire to the students in each class in which you used these materials. Administration of this questionnaire should occur within five (5) school days following completion of usage of the material in the classroom, unless that is not possible because of early initiation and completion of this program in your class. Enough questionnaires should have been provided so that you do not have to copy them yourself. Students should be able to answer the questions in about 15 minutes, but it would be wise to allot at least 20 minutes to this task to avoid rushing the student. You should provide verbal directions to the students as follows (you may read or paraphrase these directions):

> "Do not write your name on this questionnaire. Use a black pencil or pen to answer each question. Please do not leave any questions blank; if you don't know how to answer a question, state that fact in the space next to the question. Answer the questions thoughtfully and honestly. Your answers are important to the developers of this material and will be seriously considered by them as they plan the future use of such material. Return your completed questionnaire to me."

Collect all questionnaires from the students and put them into one of the large envelopes provided with your materials. Write the school's name, your name, and the course title and grade level on the spaces provided on the envelope. Use a separate envelope for each class.

If some students are absent the day the evaluation is carried out, you may ask them to fill out their evaluation form at a later date and put it into the appropriate class envelope. Do not hold on to the evaluation forms for a period longer than one (1) week for students who are absent.

TEACHER QUESTIONNAIRE

Your questionnaire is provided in the special folder with your name printed on the outside. It has two parts, one of which (Part I) is general and independent of the classes in which you used these materials. The other part (Part II) applies to each specific class in which you used these materials. Six copies of the questions in Part II are provided; these are labeled Class A to Class F and should correspond to the list you provide in answer to question 2 of Part I. Unless you have used the material in six different classes, you will have copies of Part

II left over. They should be returned with your package. You will also find a copy of a student manual request form in this folder. Please fill this out and return it with your evaluation materials. Note that you must return your evaluation materials in order to receive additional student manuals for use next year. If you desire, you or your school may keep for future use the manuals that will be sent to you for next year. Note also that no further manuals beyond this second set will be sent out as part of this pilot program.

Once you have completed all parts of your evaluation form, please replace them (and the student manual request form) in the folder with your name on it.

RETURN OF MATERIALS

Take all of the envelopes containing the student questionnaires and the special folder containing your questionnaire and place these materials in the large, pre-addressed envelope. Seal that envelope and mail it (no additional postage is required by you) as soon as possible, but no later than ______________. If the pre-addressed envelope is damaged, the materials should be sent to:

Ms. Particia Moran
Editorial Experts, Inc.
66 Canal Center Plaza
Suite 200
Alexandria, VA 22314-1538

Thank you for your cooperation.

OMB #: ____________
Exp. Date: ____________

HUMAN PHYSIOLOGY IN SPACE: A PROGRAM FOR AMERICA

Student Questionnaire

The special materials you have just finished using were prepared by National Aeronautics and Space Administration (NASA) and the National Institutes of Health (NIH) to test a new concept in science education. Your participation in the use of these materials was an important part of this test and your opinions about these materials will be given serious consideration in the development and use of these or similar materials in the future. Please answer the following questions thoughtfully and honestly.

Please do not write your name anywhere on the questionnaire. Your responses will be treated as confidential.

1. What did you like BEST about the materials? ____________

____

____

2. What did you like LEAST about the materials? ____________

____

____

3. Compared with what you usually do in class, how interesting were these materials? (Circle the one number that most nearly applies.)

(1) Much less interesting than what we usually do
(2) Somewhat less interesting than what we usually do
(3) About the same as what we usually do
(4) Somewhat more interesting than what we usually do
(5) Much more interesting than what we usually do

4. How <u>interesting</u> did you find each of the following topics? The topics represent the various parts of the materials. (Circle one number on each line.)

		Not at All Interesting		Interesting		Very Interesting	Didn't Do
A.	Learning about space and its effects on the body	1	2	3	4	5	[ ]
B.	Learning about the Spacelab laboratory and the experiments on the SLS-1 mission	1	2	3	4	5	[ ]
C.	Learning about the cardiovascular system	1	2	3	4	5	[ ]
D.	Learning about the blood	1	2	3	4	5	[ ]
E.	Learning about the fluid regulating system	1	2	3	4	5	[ ]
F.	Learning about other body systems in space	1	2	3	4	5	[ ]
G.	Carrying out the student investigations	1	2	3	4	5	[ ]
H.	Learning the details of space-flight scientific equipment and actual space mission activities	1	2	3	4	5	[ ]

5. How much do you think you <u>learned</u> from each of the following aspects of the materials? (Circle one number on each line.)

		Not Much				A Lot	Didn't Do
A.	Learning about space	1	2	3	4	5	[ ]
B.	Learning about the Spacelab laboratory	1	2	3	4	5	[ ]
C.	Learning about the cardiovascular system	1	2	3	4	5	[ ]
D.	Collecting and interpreting data about the cardiovascular system	1	2	3	4	5	[ ]
E.	Using the spirometer	1	2	3	4	5	[ ]
F.	Learning about blood	1	2	3	4	5	[ ]
G.	Learning about the fluid regulating system	1	2	3	4	5	[ ]
H.	Learning about other body systems	1	2	3	4	5	[ ]

6. How much fun was each of the following aspects of the materials? (Circle one number on each line.)

	Not Much				A Lot	Didn't Do
A. Learning about space	1	2	3	4	5	[ ]
B. Learning about the Spacelab laboratory	1	2	3	4	5	[ ]
C. Learning about the cardiovascular system	1	2	3	4	5	[ ]
D. Collecting and interpreting data about the cardiovascular system	1	2	3	4	5	[ ]
E. Using the spirometer	1	2	3	4	5	[ ]
F. Learning about blood	1	2	3	4	5	[ ]
G. Learning about the fluid regulating system	1	2	3	4	5	[ ]
H. Learning about other body systems	1	2	3	4	5	[ ]

7. How much did you like each of the following topics and activities? (Circle one number on each line.)

		Not Much				A Lot	Didn't Do
A.	Space and its effects on the body	1	2	3	4	5	[ ]
B.	The Spacelab laboratory and the experiments on the SLS-1 mission	1	2	3	4	5	[ ]
C.	The cardiovascular system	1	2	3	4	5	[ ]
D.	The blood	1	2	3	4	5	[ ]
E.	The fluid regulating system	1	2	3	4	5	[ ]
F.	Other body systems in space	1	2	3	4	5	[ ]
G.	The student investigations	1	2	3	4	5	[ ]
H.	The details of space-flight scientific equipment and actual space mission activities	1	2	3	4	5	[ ]

8. Would you recommend that other students in your grade use these materials? (Circle one.)

(1) Yes
(2) No
(3) Not sure

Why? ______________________________

____

____

____

____

____

9. Please indicate your agreement or disagreement with each statement by circling the one number on each line that most nearly applies.

	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
A. The text was hard to read	1	2	3	4	5
B. I found it hard to understand a lot of the material	1	2	3	4	5
C. I really enjoyed this material	1	2	3	4	5
D. Using the material took time away from more important things	1	2	3	4	5
E. I like science	1	2	3	4	5

10. Please indicate your agreement or disagreement with each statement by circling the one number on each line that most nearly applies.

	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
A. I understand better now what scientists do	1	2	3	4	5
B. I understand more now about the value and importance of scientific research	1	2	3	4	5
C. I am more interested in how the human body works now than I was before I used this material	1	2	3	4	5
D. I am more interested in science or engineering now than I was before I used the material	1	2	3	4	5
E. I am more interested in space now than I was before I used the material	1	2	3	4	5
F. I am interested in following the flight of the SLS-1 mission when it happens	1	2	3	4	5
G. I am interested in the results of the experiments that will be carried on the SLS-1 mission	1	2	3	4	5
H. I am considering the possibility of becoming a scientist or an engineer	1	2	3	4	5
I. I am interested in a space-related career	1	2	3	4	5
J. I am interested in a career in the biomedical field	1	2	3	4	5

Use this space for anything else you would like to tell us about the materials.

Comments: ____

____

____

11. Are you male or female?

(1) Male
(2) Female

12. Which of the following best describes you? (Circle the one number that most nearly applies.)

(1) American Indian or Alaskan Native
(2) Asian or Pacific Islander
(3) Black
(4) White

13. Are you of Hispanic origin?

(1) Yes
(2) No

14. Do you plan to go to college?

(1) Yes
(2) No
(3) Not sure

15. At the moment, what career area interests you most? (Circle one or more.)

(1) The arts
(2) Business
(3) Engineering
(4) The humanities
(5) Law
(6) Mathematics
(7) Medicine
(8) Science
(9) Teaching
(10) Other (What?____________________)

THANK YOU FOR YOUR HELP.
Please return your completed questionnaire to your teacher.

Public reporting burden for this part of the information collection is estimated to average 15 minutes, including the time for reviewing the instructions, gathering needed information and completing and reviewing the questionnaires. If you have comments regarding this burden please send them to Reports Clearance Officer, PHS, 721-B Hubert H. Humphrey Building, 200 Independence Avenue, S.W., Washington, D.C. 20201, Attention: PRA; and to the Office of Management and Budget, Paperwork Reduction Project (0925-XXXX), Washington, D.C. 20503.

OMB #: ______________
Exp. Date: ______________

HUMAN PHYSIOLOGY IN SPACE: A PROGRAM FOR AMERICA

Questionnaire for Teachers

Part I

THIS SECTION OF THE QUESTIONNAIRE IS ABOUT THE CLASSES IN WHICH YOU TAUGHT THE MATERIAL.

1. In how many different classes did you use the material? ____

2. For each class in which you used the material, give the name of the course, the number of students enrolled in it, and the grade level(s) of the students:

NAME OF COURSE	NUMBER OF STUDENTS	GRADE LEVELS OF STUDENTS
(A) ______________	____	________
(B) ______________	____	________
(C) ______________	____	________
(D) ______________	____	________
(E) ______________	____	________
(F) ______________	____	________

3. If you taught the material in more than one class, which of the following best describes the manner in which you used it with the classes overall? (Circle only one.)

(1) Essentially the same way in all classes

(2) With minor variations from class to class

(3) Quite differently from class to class

FOR EACH CLASS IN WHICH YOU USED THE MATERIAL, PLEASE COMPLETE A SEPARATE PART II. BE SURE THAT THE IDENTIFYING LETTER ON THE COVER OF PART II AGREES WITH THE LETTER OF THE CLASS YOU IDENTIFIED ABOVE.

THIS SECTION OF THE QUESTIONNAIRE IS ABOUT THE PREPARATION YOU HAD FOR TEACHING THE UNIT.

1. Did you attend the workshop? (Circle one.)

(1) Yes -------------> Go to Question 2
(2) No --------------> Skip to Question 3

2. Now that you've used the material, how well do you feel the workshop prepared you to teach it? (Circle the one number that most closely applies.)

(1) Extremely well
(2) Moderately well
(3) Minimally
(4) Not at all well

3. After the workshop was held, did you speak with someone who attended the workshop about teaching this material?

(1) Yes
(2) No

4. Did you do any of the following things <u>before you started teaching the material</u>? (Circle one number on each line.)

		No	Yes
A.	Read through the materials from start to finish	1 ...	2
B.	Prepare written lesson plans	1 ...	2
C.	Rewrite the material or write new material for use in your class(es)	1 ...	2
D.	Look up things you weren't sure of in places other than the Teacher's Manual	1 ...	2
E.	Collect additional materials for use in conjunction with the material	1 ...	2

5. Looking back over the entire experience, how well prepared do you think you were for each of the following aspects of teaching the material?

	Not at all prepared				Extremely well prepared
A. Lecturing on the various topics ...	1	2	3	4	5
B. Answering students' questions ...	1	2	3	4	5
C. Supervising the student activities ...	1	2	3	4	5
D. Leading class discussions ...	1	2	3	4	5

6. Did you have access to adequate and sufficient supplies needed for teaching this pilot program to your students?

(1) Yes
(2) No

Comments: ______________________________

____

____

7. Now that you've taught the class, would you prepare yourself differently for teaching the material? If so, how?

____

____

____

____

THIS SECTION OF THE QUESTIONNAIRE IS ABOUT YOUR REACTION TO THE MATERIAL.

1. Overall, how much did you enjoy teaching the material?

Not at all — Very much

1 .... 2 .... 3 .... 4 5

2. To what extent did you feel that using this material was worth the time it took you to use it?

Not at all — To a great extent

1 .... 2 .... 3 .... 4 5

3. Please rate each of the following elements of the material from your perspective as a teacher. (Circle one number on each line.)

	Poor				Excellent	Not Applicable
A. The teacher's manual	1	2	3	4	5	[ ]
B. The student workbook	1	2	3	4	5	[ ]
C. The hands-on activities ...	1	2	3	4	5	[ ]
D. The tie-in to the SLS-1 mission	1	2	3	4	5	[ ]
E. Relevance to/appropriateness for your students ..	1	2	3	4	5	[ ]
F. Flexibility for use in different teaching settings	1	2	3	4	5	[ ]
G. Effectiveness for students with different levels of ability	1	2	3	4	5	[ ]
H. Effectiveness for students with different levels of interest	1	2	3	4	5	[ ]
I. Effectiveness for students of different racial/ethnic backgrounds	1	2	3	4	5	[ ]
J. Effectiveness for male and female students..........	1	2	3	4	5	[ ]

4. How well did the material support the defined state science competencies?

Not at all — Very well

1 .... 2 .... 3 .... 4 5

5. Indicate your agreement or disagreement with each of the following statements by circling the appropriate number on each line.

	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
A. The reading level of the materials is too high	1	2	3	4	5
B. My students really liked the program	1	2	3	4	5
C. The lab exercises did not work very well	1	2	3	4	5
D. The text is well written .	1	2	3	4	5
E. The unit required too much preparation on my part	1	2	3	4	5

6. Did you use the slides provided with the material?

(1) Yes --------------> Answer Question 7
(2) No ---------------> Skip to Question 8

7. Briefly describe how you used the slides and describe both your and your students' reactions to them.

____
____
____
____
____

8. Did you use the video provided with the material?

(1) Yes --------------> Answer Question 9
(2) No ---------------> Skip to Question 10

9. Briefly describe how you used the video and describe both your and your students' reactions to them.

____

____

____

____

____

10. Will you use these materials again in the Fall?

(1) Yes --------------> Answer Question 11
(2) No ---------------> Skip to Question 12
(3) Not sure ---------> Skip to Question 12

Comments: ______________________________________

____

____

11. What changes, if any, will you make in the way in which you teach using the materials in the Fall?

____

____

____

12. What changes would you recommend to the developers of these materials?

Comments: ______________________________________

____

____

13. Would you recommend these materials to other teachers that you know?

(1) Yes
(2) No
(3) Not sure

Comments: ____

____

____

14. Would you like to see the materials expanded into a half-year or full-year course?

(1) Yes
(2) No
(3) Not sure

Comments: ____

____

____

Use the remaining space for additional comments about the materials and your reaction to them.

THIS SECTION OF THE QUESTIONNAIRE IS ABOUT YOU.

1. Including this year, for how many years have you been a teacher?
____ years

2. How would you characterize your background in the biological sciences?

Very weak Very strong
1 .... 2 .... 3 .... 4 5

3. Which of the following best describes you?

(1) American Indian or Alaskan Native
(2) Asian or Pacific Islander
(3) Black
(4) White

4. Are you of Hispanic origin?

(1) Yes
(2) No

5. Are you female or male?

(1) Female
(2) Male

PLEASE CONTINUE TO PART II OF THIS QUESTIONNAIRE AND COMPLETE A SEPARATE PART II FOR EACH CLASS IN WHICH YOU USED THIS MATERIAL.

Public reporting burden for this part of the information collection is estimated to average 20 minutes, including the time for reviewing the instructions, gathering needed information and completing and reviewing the questionnaires. If you have comments regarding this burden please send them to Reports Clearance Officer, PHS, 721-B Hubert H. Humphrey Building, 200 Independence Avenue, S.W., Washington, D.C. 20201, Attention: PRA; and to the Office of Management and Budget, Paperwork Reduction Project (0925-XXXX), Washington, D.C. 20503.

HUMAN PHYSIOLOGY IN SPACE: A PROGRAM FOR AMERICA

Questionnaire for Teachers

PART II: CLASS A

PLEASE CHECK TO BE SURE THAT YOU ARE RESPONDING TO THIS PART OF THE QUESTIONNAIRE WITH RESPECT TO THE CLASS THAT YOU LISTED AS "A" IN PART I QUESTION 2.

1. For how many weeks overall did you use the material?
____________ weeks

2. On average, how many days a week did you use the material?

____________ days

3. For about how many minutes a day did you teach the material?
____________ minutes

4. How did you use the various modules included in the materials? (Circle one number on each line.)

	Used less than total	Used all material	Didn't use
A. Introduction	1	2	[ ]
B. Focus 1	1	2	[ ]
C. Background: The Cardio-Vascular System	1	2	[ ]
D. Focus 2			
Red Tab Section	1	2	[ ]
Blue Tab Section	1	2	[ ]
Green Tab Section	1	2	[ ]
E. Focus 3			
Red Tab Section	1	2	[ ]
Blue Tab Section	1	2	[ ]
Green Tab Section	1	2	[ ]
F. Focus 4			
Red Tab Section	1	2	[ ]
Blue Tab Section	1	2	[ ]
Green Tab Section	1	2	[ ]
E. Focus 5	1	2	[ ]

5. How easy was it to integrate the material with the subject matter you teach in this class?

Very difficult ... Very easy
1 .... 2 .... 3 .... 4 5

6. Did you change your usual approach to teaching in order to accommodate the material?

(1) Yes (If so, please describe below.)
(2) No

Comments: ____

____

____

7. How would you describe the ability level(s) of the students in this class (compared with others in the school)?

(1) Low
(2) Average
(3) High
(4) Too variable to characterize

THIS SECTION OF THE QUESTIONNAIRE IS ABOUT THE REACTIONS OF THE STUDENTS IN THIS CLASS TO THE MATERIALS.

1. How would you characterize these students' reactions to the materials overall?

Not at all interested/ enthusiastic — Highly interested/ enthusiastic

1 .... 2 .... 3 .... 4 5

2. How would you characterize these students' levels of interest in and enthusiasm for each of the following sections of the unit? (Circle one number on each line.)

	Low				High	Didn't Use
A. Introduction	1	2	3	4	5	[ ]
B. Focus 1	1	2	3	4	5	[ ]
C. Background: The Cardio-Vascular System	1	2	3	4	5	[ ]
D. Focus 2	1	2	3	4	5	[ ]
E. Focus 3	1	2	3	4	5	[ ]
F. Focus 4	1	2	3	4	5	[ ]
G. Focus 5	1	2	3	4	5	[ ]

3. How much physiology do you feel these students learned from the material overall?

Very little — A great deal

1 .... 2 .... 3 .... 4 5

4. Did students learn more human physiology from this material than they usually do from their normal biology text?

(1) Yes
(2) No
(3) Can't tell

5. How much do you think these students learned from each of the following sections of the material?

	Low				High	Didn't Use
A. Introduction	1	2	3	4	5	[ ]
B. Focus 1	1	2	3	4	5	[ ]
C. Background: The Cardio-Vascular System	1	2	3	4	5	[ ]
D. Focus 2	1	2	3	4	5	[ ]
E. Focus 3	1	2	3	4	5	[ ]
F. Focus 4	1	2	3	4	5	[ ]
G. Focus 5	1	2	3	4	5	[ ]

6. Did you test these students on any of the material?

(1) Yes --------------> Go to Question 7
(2) No ---------------> Skip to Question 8

7. How well did these students do overall compared with how they typically do on tests of the other material you teach?

Much worse than usual				Much better than usual
1	2	3	4	5

8. How well do you feel the material accomplished each of the following objectives for the students in this class? (Circle one number on each line.)

	Not at all Well		Moderately Well		Extremely Well
A. Providing them with some basic information about human physiology	1	2	3	4	5
B. Enhancing their interest in science	1	2	3	4	5
C. Enhancing their interest in the SLS-1 mission	1	2	3	4	5
D. Interesting students in careers in science and engineering	1	2	3	4	5
G. Interesting students in careers in biomedical science and engineering	1	2	3	4	5

9. Did some groups of students in this class seem to profit more than others from the material?

(1) Yes --------------> Go to Question 10.
(2) No ---------------> Skip to Question 11.

10. Which student groups (e.g., high-ability students, females, etc.) profited more than others from the material?

____

____

____

11. Regarding the student investigations in Focuses 2, 3 and 4,

(a) Which one(s) did students enjoy the MOST?

___

___

___

(b) Which one(s) did students enjoy the LEAST?

___

___

___

Use the space below for anything else you might want to add about these students' reactions to the unit.

Comments: ___

___

___

IF YOU TAUGHT THE MATERIALS IN MORE THAN ONE CLASS, PLEASE BE SURE THAT YOU HAVE COMPLETED A SEPARATE PART II FOR EACH CLASS.

Please return all sections of your completed questionnaire to:

Ms. Patricia Moran
Editorial Experts, Inc.
Canal Center Plaza
Suite 200
Alexandria, VA 22314-1538

in the postage paid envelope provided.

THANK YOU FOR YOUR HELP.

Public reporting burden for this part of the information collection is estimated to average 5 minutes, including the time for reviewing the instructions, gathering needed information and completing and reviewing the questionnaires. If you have comments regarding this burden please send them to Reports Clearance Officer, PHS, 721-B Hubert H. Humphrey Building, 200 Independence Avenue, S.W., Washington, D.C. 20201, Attention: PRA; and to the Office of Management and Budget, Paperwork Reduction Project (0925-XXXX), Washington, D.C. 20503.

[FR Doc. 90-10861 Filed 5-8-90; 8:45 am]

BILLING CODE 4140-01-C

National Vaccine Advisory Committee; Public Meeting

AGENCY: Office of the Assistant Secretary of Health.

ACTION: Notice.

SUMMARY: The Department of Health and Human Services (DHHS) and the Office of the Assistant Secretary for Health are announcing the forthcoming meeting of the National Vaccine Advisory Committee.

DATES: Date, Time and Place: June 14, 1990, at 9 a.m.; June 15, at 8:30 a.m.; Hubert H. Humphrey Building, room 703A, 200 Independence Avenue, SW., Washington, DC 20201. The entire meeting is open to the public.

FOR FURTHER INFORMATION CONTACT: Written requests to participate should be sent to Yuth Nimit, Ph.D., Executive Secretary, National Vaccine Advisory Committee, National Vaccine Program, 5600 Fishers Lane, Parklawn Building, room 13A-53, Rockville, Maryland 20857, (301) 443-0715.

Agenda: Open Public Hearing: Interested persons may formally present data, information, or views orally or in writing on issues pending before the Advisory Committee or on any of the duties and responsibilities of the Advisory Committee as described below. Those desiring to make such presentations should notify the contact person before May 25, 1990 and submit a brief statement of the information they wish to present to the Advisory Committee. Those requests should include the names and addresses of proposed participants and an indication of the approximate time required to make their comments. A maximum of 15 minutes will be allowed for a given presentation. Any person attending the meeting who does not request an opportunity to speak in advance of the meeting will be allowed to make an oral presentation at the conclusion of the meeting, if time permits, at the chairperson's discretion.

Open Advisory Committee Discussion: Discussion at this meeting will be directed to NVP development of the National Vaccine Plan element on New Vaccine Development and vaccine licensure; vaccine adverse events, testing and post-marketing surveillance; the 1990 National Vaccine Report to Congress and the National Vaccine Plan. Meetings of the Advisory Committee shall be conducted, insofar as is practical, in accordance with the agenda published in the **Federal Register** notices. Changes in the agenda will be announced at the beginning of the meeting.

Persons interested in specific agenda items may ascertain from the contact person the approximate time of discussion. A list of Advisory Committee members and the charter of the Advisory Committee will be available at the meeting. Those unable to attend the meeting may request this information from the contact person. Summary minutes of the meeting will be made available upon request from the contact person.

Dated: April 29, 1990.

Yuth Nimit,

Executive Secretary, NVAC.

[FR Doc. 90-10711 Filed 5-8-90; 8:45 am]

BILLING CODE 4160-17-M

Social Security Administration

Continuing Disability Reviews; Updated List of New or Improved Diagnostic Techniques for Determining Impairment Severity

AGENCY: Social Security Administration, HHS.

ACTION: Notice.

SUMMARY: This notice provides a cumulative list of medical diagnostic and evaluative techniques which have come into use since 1970 and which may be reported and considered by the Social Security Administration (SSA) in determining a person's continuing eligibility for Social Security disability benefits and/or supplemental security income benefits based on disability. This notice also provides the date each of these new or improved techniques became generally available. These new or improved techniques may permit a more accurate diagnostic determination in a particular case than the techniques previously used in that case. Moreover, they may disclose that a person on the benefit rolls because of disability has a less severe or a more severe impairment than was previously thought. These listed techniques are not equal in diagnostic accuracy or accuracy in determining the physical or mental deficit caused by an impairment. Additionally, diagnostic accuracy or accuracy in the measurement of physical or mental deficit may depend upon numerous factors which vary with the clinical situations in which the techniques are applied. However, a cessation of disability and termination of benefits may be required if medical findings from the technique(s)—(1) more accurately reflect a person's true clinical status than the technique(s) previously used to evaluate severity; and (2) show that the person's impairment or combination of impairments are not as disabling as they had been considered to be and that he or she has the ability to perform substantial gainful activity (SGA).

Authority: Publication of the notice is required by the provisions of 20 CFR 404.1579(d)(2)(ii)(B), 404.1594(d)(3)(ii)(B), 416.994(b)(3)(iii)(B)(2), and 416.994(c)(3)(ii)(B)(2) contained in final regulations published on December 6, 1985, in the **Federal Register** at 50 FR 50118.

COMMENTS: We welcome any comments concerning the medical diagnostic and evaluative techniques on the attached list, the clinical findings derived from these techniques, and their application to the evaluation of a person's physical or mental impairment. We will revise an item on this attached list at the time we publish the next periodic cumulative list if a comment shows the need for a change or correction.

ADDRESSES: Comments should be submitted to the Commissioner of Social Security, Department of Health and Human Services, P.O. Box 1585, Baltimore, MD 21235, or delivered to the Office of Regulations, Social Security Administration, 3-B-1 Operations Building, 6401 Security Boulevard, Baltimore, MD 21235 between 8 a.m. and 4:30 p.m. on regular business days. Comments received may be inspected during these same hours by making arrangements with the contact person shown below.

FOR FURTHER INFORMATION CONTACT: Lou Perkins, Disability Analyst, Office of Disability, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235, (301) 965-9122.

SUPPLEMENTARY INFORMATION: Section 2 of Public Law 98-460 (The Social Security Disability Benefits Reform Act of 1984) amended sections 223(f), 216(i)(2)(D), and 1614(a) of the Social Security Act (the Act) by specifying a standard for determining whether a beneficiary's disability should cease. Subject to certain exceptions, this standard is that disability ceases only if there has been medical improvement in the beneficiary's impairment(s) that can be related to his or her ability to work and he or she can perform SGA. This notice concerns one of the exceptions to this standard; i.e., where new or improved diagnostic or evaluative techniques brought about by the changing methodologies and advances in medicine have improved the methods for measuring and documenting the effect of the various impairments on the ability to work. In accordance with sections 223(f)(3), 216(i)(2)(D), and 1614(a)(5)(C) of the Act (added to the

Act by section 2 of Public Law 98–460), a beneficiary may be determined not entitled to benefits on the basis that his or her physical or mental impairment has ceased if substantial evidence demonstrates, *that on the basis of new or improved diagnostic techniques or evaluations*, the beneficiary's impairment or combination of impairments is not as disabling as it was considered to be at the time of the most recent prior decision that found the beneficiary to be disabled, and that—

(1) The beneficiary is able to engage in SGA; or

(2) The beneficiary receiving widow's or surviving divorced wife's benefits under section 202(e) of the Act or widower's or surviving divorced husband's benefits under section 202(f) of the Act, does not have an impairment or combination of impairments of sufficient severity to be considered under regulations prescribed by the Secretary, to be precluded from engaging in gainful work.

We published regulations for implementing the statutory provisions in section 2 of Public Law 98–460. (See 50 FR 50118 dated December 6, 1985.) In §§ 404.1579(d)(2)(ii), 404.1594(d)(3)(ii), 416.994(b)(3)(iii)(B), and 416.994(c)(3)(ii)(B) of these regulations, we provide two methods for informing the public of the techniques we consider to be new or improved and how they are to be applied in determining a person's continuing eligibility for benefits.

The first method we will use to inform the public of new or improved techniques will involve the listing of impairments in 20 CFR part 404, appendix I of subpart P of the regulations. When changes in these listings are published in the **Federal Register**, we will describe those changes made because new or improved medical techniques became generally available. (The listing of impairments describes the medical impairments that we consider severe enough to prevent a person from performing gainful work.)

The listing changes will be published in a Notice of Proposed Rulemaking (NPRM). After considering any public comments, a final rule including the listing changes will be published. This approach is consistent with our past practice. For example, the electrocardiogram (ECG) exercise test included in the attached material, which is a primary basis for evaluating ischemic heart disease impairments, was included in the July 1979 revision of appendix I. Also, we included the two following tests in a revised appendix I published on December 6, 1985, in the **Federal Register** (see 50 FR 50068). First, an exercise arterial blood gas study for documenting the severity of a gas exchange impairment in pulmonary conditions was included under listing 3.00 of appendix I. Second, a serum drug level test for documenting the use of anticonvulsant medication when evaluating the severity of epilepsy was included under listing 11.00 of appendix I.

The second method we will use to inform the public of new or improved techniques is to publish in the **Federal Register** at periodic intervals a cumulative list of the new or improved medical techniques that have become generally available and may affect our evaluation of the severity of impairments. We identify new or improved medical techniques in several ways. The technique results may have been presented as medical evidence by persons filing for Social Security benefits based on disability. The technique may have been discussed in medical literature by a medical professional group or studied by a government bureau. From these and other sources, we catalogue the new techniques and determine when they became generally available. By "generally available," we mean that a technique is no longer experimental or available only at centers of medical learning and research. Rather, the technique (with appropriate equipment) has become generally available to the appropriate practitioners throughout the country and the technique results are accepted by the medical community. We will omit from any published cumulative list the medical techniques generally available prior to 1970 since few, if any, claims should involve evaluation for continuing disability eligibility for periods before 1970.

The following is the second **Federal Register** publication of the periodic cumulative list describing the new or improved techniques in effect since 1970, how they will apply in determining disability, and the date they became generally available. This periodic cumulative list differs from the one previously published on May 29, 1986, at 51 FR 19413 only by the addition of "5. Magnetic Resonance Imaging (MRI)" under *I. Miscellaneous Tests Applicable to Several Body Systems*.

Paperwork Reduction Act

This notice does not impose recordkeeping or reporting requirements on the public.

(Catalog of Federal Domestic Assistance Programs No. 13.802, Social Security Disability Insurance; 13.807, Supplemental Security Income Program)

Dated: April 25, 1990.

Gwendolyn S. King,

Commissioner of Social Security.

Cumulative List of New or Improved Medical Techniques and Evaluations

I. Miscellaneous Tests Applicable to Several Body Systems

1. *Radionuclide Imaging*—(Generally available since September 1979.)

This technique uses radioactive tracers to visualize internal body structures which take up certain macromolecules which are radio labeled and thus are detectable by radionuclide scans. The commonly used scans include bone, cardiac, liver/spleen, and pancreatic. An abnormal nonhomogeneous scan is a nonspecific finding indicative of parenchymal liver disease. These scans are better techniques because they are essentially noninvasive ways of visualizing anatomical structures which, in conjunction with other techniques, may provide diagnostic evidence that would otherwise be unavailable.

2. *Fiberoptic Endoscopy*—(Generally available since September 1981.)

Fiberoptic endoscopy permits the visualization of internal linings of hollow organs accessible via the transoral or transanal route. It is a better diagnositic tool because it provides for the direct visualization of mucosal erosions, ulcers, mass lesions, fistulae, bleeding sources, and obstructive lesions in the gastrointestinal tract and bronchial tree. Biopsies may be obtained for histologic confirmation of lesions. Endosocopic retrograde cholangiopancreatography (ERCP) requires the injection of radiopaque dye into the pancreatic and biliary ducts through the endoscope and permits visualization of biliary or pancreatic ducts radiographically. The test is used for detection of lesions of the biliary and pancreatic ducts. Percutaneous transhepatic cholangiography is an alternative technique to visualize the biliary system. This procedure requires the injection of dye through a needle rather than through endoscopy. Which procedure is utilized depends on the available facilities.

3. *Computerized Axial Tomography (CAT Scan)*—(Generally available since January 1977 for CAT scan of the head; CAT scans for other parts of the body since September 1982.)

The CAT scan has made it possible to produce cross-sectional X-ray images of the internal structures of the body. The CAT scan not only provides the cross-sectional X-ray images but the sensitivity and resolution are so great that small differences in X-ray absorption and be detected so that it is possible to differentiate various types of soft tissues and detect small concentrations of contrast material within blood vessels. The CAT scan is most appropriate and sensitive for the detection of mass lesions, usually tumors. It is also possible to define anatomic defects such as cerebral infarcts, dilatation of ducts, and the presence of fluid in the pericardial, pleural, or peritoneal, or peritoneal cavities. Its impact on the evaluation of impairments is to provide a

noninvasive means for the detection of lesions in a multitude of organ systems.

4. *Digital Subtraction Scanning or Angiography*—(Generally available since January 1982.)

This is a special radiologic imaging technique which increases the radiodensity of blood over that of surrounding structures and, therefore, increases the resolution of the radiographic images of blood vesels. The scanning technique allows dye to be injected intravenously to visualize, by X-rays, the aorta, coronary, renal, and iliac vessels in order to estimate the blood flow in these vessels or the presence or absence of obstructive lesions. It is an improved technicque because it can be performed on an outpatient basis with less risk and less discomfort to the patient than direct arteriography. In some cases, this technique will permit the exclusion of direct arteriography.

5. *Magentic Resonance Imaging* (MRI)—(Generally available since January 1987.)

MRI is a valuable imaging tool to detect lesions in a variety of diseases. This technique is based on the interaction of radio waves with hydrogen nuclei in the presence of a strong magetic field. The advantages of magnetic responance imaging include the very good resolution which can be obtained in many tissues and, furthermore, tomographic sections of tissues and organs can be obtained in any plane. The technique has particular value in imaging the brain, spinal cord, pelvic organs, urinary bladder, blood vessels, heart, liver, and kidneys. It is a noninvasive technique and does not employ ionizing radiation.

II. Cardiovascular

1. *Coronary Arteriography*—(Generally available since January 1970.)

Coronary arteriography demonstrates radiographically the anatomy of the coronary arteries. It provides direct documentation of the anatomic extent and distribution of obstruction of those arteries. This is a better technique because it provides anatomical evidence for a diagnosis of coronary artery disease. During the test it is also possible to visualize the contracting heart to measure cardiac output and to evaluate, thereby, ventricular function.

2. *ECG Exercise Test*—(Generally available since January 1975.)

The ECG exercise test produces a graphic tracing of the electric current produced by the polarization and depolarization of the heart muscle. It is a multistage, progressive, continuous test that measures cardiac current while the subject is at rest and is perfoming different levels of exercise. Variations from normal can be helpful in the diagnosis of ischemia, of exercise-induced arrhythmias and in the assessment of cardiac performance in certain clinical circumstances. It is an improved technique over the Master Two-Step procedure which it replaced because the amount of exertion can be specifically quantified and the ECG monitoring during and after exercise provides greater specificity and sensitivity in the diagnosis of ischemia.

3. *Multigated Radionuclide Ventriculography (MUGA Scan)*—(Generally available since September 1979.)

The MUGA is a radionuclide imaging procedure otherwise known as multigated blood pool ventriculograph using, most commonly, technetium-99 sodium pertechnetate (99m/tc) as the tracer. The use of this technique at rest and after exercise provides for an evaluation of myocardial function and wall motion abnormalities indicative of ischemic heart disease. Left ventricular dysfunction and ejection fraction can be estimated from the test. When done at rest and after exercise, detection of exercise-induced wall motion abnormalities and/or a fall or failure of rise of ejection fraction is highly suggestive of severe heart disease. It is an improved technique because, without invasive cardiac catheterization, some gross estimate of cardiac dysfunction can be made by this test if there is a fall or failure to rise of ejection fraction, or exercise-induced dyskinesia, or akinesia of the left ventricular wall.

4. *Thallium Perfusion Scan*—(Generally available since September 1979.)

The thallium perfusion scan measures the perfusion of blood through the myocardium. The radionuclide thallium-201 is employed as the tracer. Resting and exercise radionuclide images are compared to detect fixed lesions present during rest and exercise and transient perfusion defects indicative of ischemia induced by exercise. As such, this is a better technique for diagnosis of ischemia and of old myocardial infarctions. Assessments of cardiac function can be made when this technique is performed in conjunction with an ECG exercise test.

5. *M Mode Echocardiography*—(Generally available since August 1979.)

This test records ultrasound waves reflected by heart structures. It is used to assess the motion and dimensions of heart chambers, wall, and valves; but its reliability is far greater for left than right-sided heart structures (and only limited views of these structures are visualized at any one time). This technique is especially helpful in evaluating the mitral valve, the aortic valve, the thickness of the ventricular wall, and the presence or absence of fluid in the pericardial space. It is a better technique because it is noninvasive and may provide diagnostic evidence that would otherwise be unavailable.

6. *Holter Reading*—(Generally available since March 1980.)

The Holter monitor produces continuous electrocardiographic tracings over extended periods of time so that ambulatory monitoring of patients is possible. The electrocardiograms can be correlated with the individual's activities and symptoms. Variations from normal are useful in the assessment of cardiac arrhythmias and of exertional or stress-induced ischemia. The fact that ECG tracings are produced over a long time period makes this an improved diagnostic technique for detection of arrhythmias and ischemia.

7. *Venous Occlusive Plethysmography*—(Generally available since October 1980.)

Venous plethysmography records changes in volume of a limb after inflation and deflation of a cuff applied to the limb. The technique is useful in the noninvasive determination of the presence of deep vein thrombosis. In many situations this is a better technique because it can be diagnostic for deep vein thrombosis without resorting to a venogram, an uncomfortable procedure and one that is sometimes associated with noxious side effects (such as an allergic reaction or new thrombosis). In the absence of venographic results, this technique provides a better basis for diagnosis than clinical observations alone.

8. *Doppler Vascular Ultrasonography*—(Generally available since October 1980.)

Doppler ultrasonography is based on the shift in ultrasound frequency that arises if an ultrasound beam is transmitted to and reflected from moving blood cells. The frequency of shift is proportional to the velocity of the blood flow. The Doppler ultrasound is used to determine systolic arterial pressures. This is applicable particularly in the distal lower extremities where the blood pressure cannot be measured accurately by the regular cuff method. Measurements of segmental pressures at various levels of the lower extremities help to distinguish between aorto-iliac, femoropopliteal, or combined disease. Doppler ultrasound can measure the ankle to brachial artery pressure index at rest and after exercise. This is an improved technique because it allows a quantitative, noninvasive determination of the severity of peripheral arterial disease. The estimate of severity is especially useful if this technique is repeated after the patient exercises.

9. *Carotid Phonoangiography (CPA)*—(Generally available since November 1980.)

Carotid Phonoangiography (CPA) is used to record and evaluate alterations in the sound emanating from the carotid artery. It is a technical extension of auscultation and is used to assess the possibility of carotid obstruction. Although it can be used alone, its primary value is as an adjunct to hemodynamically based studies such as oculoplethysmography (OPG). It is an improved technique because it provides noninvasive evidence for the diagnosis of narrowing of the carotid artery.

10. *2 D Echsocardiography*—(Generally available since October 1984.)

This test, like the M mode echocardiography (item 5 above), records ultrasound waves reflected by heart structures. It allows visualization over time of the cardiac structures and the great vessels (aorta and pulmonary artery). It displays the anatomic relationships of these structures as well as their movement during the cardiac cycle. It is better because it is noninvasive and, as such, may provide evidence which would otherwise be unavailable for detection of cardiac dysfunction.

11. *Doppler Echocardiography*—(Generally available since October 1984.)

Doppler echocardiography records changing changing velocity of ultrasound waves generated by variations in blood flow in the heart and in the great vessels. It is used in the assessment of intracardiac and extracardiac shunts, valve flow, and cardiac output. It permits measurements of valvular gradients, quantitates valvular stenosis, and regurgitation and, in so doing, aids in estimating cardiac output. It is an improved

technique because it provides data previously obtainable only by catheterization of the heart or blood vessels, eliminating the need for catheterization in many patients.

12. *Electrophysiologic Testing*—(Generally available since October 1984.)

Electrophysiologic testing requires cardiac catheterization and the placement of electrode catheters within selected portions of the heart. The application of an electrical current is used to assess the propensity of the patient to develop selected cardiac arrhythmias and of the value of various drugs in preventing these arrhythmias. It is a better technique because it may document severe, nonresponsive ventricular arrhythmias.

III. Gastrointestinal System Tests

Peritoneoscopy—(Generally available since September 1981.)

This is an improved diagnostic technique because it permits the visualization of the peritoneal cavity and the peritoneal surfaces of intra-abdominal organs such as liver ovaries, and uterus. It is useful in obtaining direct liver biopsies and in the detection of intra-abdominal malignancies or metastases.

IV. Musculoskeletal

1. *Arthroscopy*—(Generally available since January 1972.)

Arthroscopy is a diagnostic procedure for the evaluation of the integrity and status of joint spaces, mainly the knee, shoulder, ankle, and elbow. It would confirm the nature and extent of abnormalities of the joint involvement that may not be seen on ordinary X-ray and, thus, aid in evaluating severity. It is a better diagnostic tool because it permits direct visualization of the joint spaces and surrounding anatomical structures without extensive surgical intervention.

2. *Arthrogram Studies*)—(Generally available since January 1978.)

These are X-ray studies performed by injecting radiopaque material within specific joints such as shoulder, knee, hip, elbow, wrist, and ankle to more accurately delineate various pathological conditions and, because of this, is an improved technique.

3. *Metrizamide Myelography with CAT Scan*)—(Generally available since January 1978.)

This is a contrast-enhanced computed tomographic study of the spinal cord to determine the presence and degree of various pathologic conditions such as spinal stenosis, lateral recess syndrome, arachnoiditis, herniated disc, etc. this test provides a more sensitive and better resolution of X-ray images of the spinal structures.

V. Opthalmology

1. *Electro-Oculography (EOG)*—(Generally available since January 1970

Electro-oculography (EOG) is a diagnostic method to determine whether a disorder of the retinal pigment epithelium exists. It would apply to Listing 2.02 of Appendix I.

2. *Visual Evoked Responses (VER)*—(Generally available since January 1980.)

The results of this testing technique may apply to Listing 2.02 of Appendix I. Stimulation of the retina changes the electrical activity of the cerebral cortex. A normal VER is a significant finding in the assessment of alleged reduction of visual acuity without demonstrable cause. It is an improved technique because it can be used to evaluate individuals who are unwilling or unable to cooperate in other techniques.

VI. Otolarynogology

1. *Electronystagmogram (ENG)*—(Generally available since January 1972.)

Electronystagmography is an accepted, reliable, and accurate method for determining the status of a patient's vestibular functions. The test is based on recording eye movements based on the cornea-retinal potentials. The printed record of the nystagmus makes it available for comparison with subsequent tracings. It is a better technique for diagnosing true vertigo or labyrinthine disease.

2. *Brainstem Auditory Evoked Response (BAER)*—(Generally available since January 1972.)

BAER is a technique of evoking production of electrical responses when stimulated by controlled sound. It is an improved technique because it is a valuable tool for assessing hearing when the test subject is incapable or unwilling to respond to auditory testing. The test is particularly useful in testing infants or young children.

3. *All-Night Sleep Recordings for Diagnosis of Sleep Apnea*—(Generally available since January 1975.)

The parameters of interest that are usually monitored during sleep are as follows:

a. REM: Electro-oculogram of rapid eye movement to determine depth or stage of sleep.

b. Respirations: rate, tidal volumes, chest excursion.

c. ECG monitoring mainly for rate and arrhythmia.

d. Blood pressure (BP).

In particular cases, more comprehensive evaluations include:

a. Electroencephalogram (EEG).

b. Esophageal pressure.

c. Audiovisual taping.

d. Electromyogram (EMG).

e. Arterial blood gas analysis.

f. Oral and nasal respiration.

g. Chest and abdominal excursion.

The finding of obstructive sleep apnea under this comprehensive monitoring provides an improved diagnostic technique for evaluation of impairments of the cardiopulmonary system.

VII. Psychological Tests

1. *Boston Diagnostic Aphasia Examination*—(Generally available since Janusry 1972.)

A comprehensive examination of all language and speech functions. It is an improved technique because it provides more comprehensive and better organized quantitative data.

2. *McCarthy Scales of Children's Abilities*—(Generally available since January 1972.)

Assesses motor and intellectual development of children 2½–8½ years of age. Yields 6 separate subscales, including a *General Cognitive Index* (GCI) which can be used as an Intelligence Quotient (IQ) score. It is a better technique because it is more current in terms of normative data.

3. *Stanford-Binet Intelligence Scale (Third Revision)*—(Generally available since January 1973.)

A measure of general intelligence for those aged 2 years and above. It provides a single overall IQ and there are no organized subtests or summary Verbal and Performance IQs. The measure is primarily verbal, especially at adult age levels. Because this test is more current in terms of normative data, it is an improvement over earlier tests.

4. *Wechsler Intelligence Scale for Children-Revised (WISC-R)*—(Generally available since January 1974.)

Assesses a wide range of intellectual abilities in children ages 5 through 16. It yields Verbal, Performance, and Full Scale IQ. This is an improved technique because it is more current in terms of normative data.

5. *Wechsler Adult Intelligence Scale-Revised (WAIS-R)*—(Generally available since January 1981.)

Copyrighted and available for general use in 1981, it is an updated and renormed edition of the WAIS and, as such, is a better test. It assesses a wide range of intellectual abilities in those aged 16 through 74 and yields a Verbal, Performance, and Full Scale IQ.

6. *Peabody Picture Vocabulary Test-Revised (PPVT-R)*—(Generally available since January 1981.)

An individually administered measure of hearing vocabulary for those aged 2½ through adulthood. It provides a quick estimate of verbal ability and scholastic aptitude. Because this revised test is more current in terms of normative data, it is a better technique.

7. *Luria-Nebraska Neuropsychological Battery*—(Generally available since January 1981.)

A comprehensive neuropsychological test battery designed to assess the functioning of all major lobes of the brain. It is a better technique because it provides a low cost, portable, relatively brief alternative to the Halstead-Reitan Neuropsychological Battery.

8.a. *Millon Behavioral Health Inventory*—(Generally available since January 1982.)

Yields information regarding a patient's style of relating to health professionals, problematic psychosocial attitudes and stressors, and psychosomatic aspects to physical complaints. It is an improved technique because it is more current, presents a more systematic approach, and is better organized.

8.b. *Millon Adolescent Personality Survey*—(Generally available since January 1982.)

Developed to be compatible with the "Diagnostic and Statistical Manual of Mental Disorders; Third Edition" (DSM-III), this test assesses overall configuration of an adolescent's personality including coping style, expressed concerns, and behavioral patterns. It is an improved technique because of its compatability with the DSM-III.

8.c. *Millon Clinical Multiaxial Inventory*—(Generally available since January 1984.)

Designed for the assessment of the DSM-III categories of personality disorders and clinical syndromes. Theory-derived constructs are quantitatively measured to suggest diagnoses and psychodynamics, as

well as testable hypotheses about patient history and behavior. It is an improved technique because it assesses pathology in a format which can be readily used with the DSM–III.

9. *Kaufman Test of Educational Achievement (K–TEA)*—(Generally available since January 1983.)

Assesses reading, spelling, and mathematical knowledge in children in grades 1 through 12.

10. *Kaufman Assessment Battery for Children (K–ABC)*—(Generally available since January 1984.)

This is a clinical instrument for the evaluation of preschool and elementary school children (2½ through 12½ years of age.) Developed from recent research and theory in neuropsychology and cognitive psychology, it assesses problem-solving ability using both simultaneous and sequential mental processes. It also includes an achievement scale which assesses acquired knowledge in reading and arithmetic. It is an improved technique because it generates data that coincides with recent research relating particular functions to parts of the brain.

11. *The Scale of Independent Behavior*—(Generally available since January 1984.)

Assesses 14 critical areas of independent and adaptive behavior including self-care, motor, socialization and community independence skills.

The potential evaluation consequences of all the above psychological tests are a more accurate and objective adjudication based on standardized, validated instruments.

[FR Doc. 90–10781 Filed 5–8–90; 8:45 am]

BILLING CODE 4190-11-M

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[NM–030–7122–09–8004]

Availability and Public Hearings of the Draft Environmental Impact Statement on Federal Coal Leasing in the Fence Lake Area of Catron and Cibola Counties, NM

AGENCY: Bureau of Land Management (BLM), Las Cruces District, New Mexico.

ACTION: Notice of availability and public hearings.

SUMMARY: Pursuant to 102(2)(c) of the National Environmental Policy Act (NEPA) of 1969, the BLM, Las Cruces District has prepared a Draft Environmental Impact Statement (EIS), through a third-party contractor, on the impacts of Federal coal leasing on public land and Federal mineral ownership in the Fence Lake Area of Catron and Cibola Counties, New Mexico.

DATES: Written comments on the Draft EIS must be postmarked on or before July 2, 1990. Public hearings will be held from June 4–7, 1990, at the dates, times, and locations listed under Supplementary Information.

ADDRESSES: Written comments should be sent to: Charles Hodgin, Project Coordinator, BLM, Las Cruces District, 1800 Marquess Street, Las Cruces, NM 88005.

FOR FURTHER INFORMATION CONTACT: Charles Hodgin, Project Coordinator, (505) 525–8228 or John Kenny, Environmental Specialist, (505) 988–6204.

SUPPLEMENTARY INFORMATION: The Salt River Project Agricultural Improvement and Power District (SRP) has submitted a Federal coal lease application for approximately 6,840 acres within the Fence Lake area. The application was prepared pursuant to title 43 Code of Federal Regulations (CFR), subpart 3400 (Lease by Application).

The San Juan River Regional Coal Team (RCT) decided at their August 9, 1988 meeting to recommend changing from a regional leasing mode to a lease by application mode. Acting upon that recommendation, the BLM Director opened the region to individual lease applications on December 7, 1988, (53 FR 44956, November 7, 1988). Under lease by application, a site-specific EIS will be completed to address cumulative impacts of Federal coal leasing in the Fence Lake Project area.

To expedite the leasing process, SRP and BLM signed a Memorandum of Agreement to allow a third-party environmental contractor to prepare the EIS as authorized by NEPA, 42 U.S.C. part 4321 and 43 CFR part 3400 and section 307 of the Federal Land Policy and Management Act of 1976 (90 Statute 2765). The Fence Lake Project EIS will tier off the Socorro Resource Management Plan (RMP).

During the development of the Socorro RMP, all four land-use planning screens for coal (coal development potential, surface owner consultation, unsuitability criteria, and multiple use screens) were applied to the Fence Lake area.

Approximately 8,780 acres of Federally-owned coal (from 31,640 acres identified in the Socorro RMP) will be carried forward for impact analysis in the Fence Lake Project EIS.

The Final Data Adequacy Standards for the San Juan River Coal Region (October 1989) spell out what resource data and analyses are needed before BLM can decide whether to offer a coal tract, such as Fence Lake, for lease. There are standards for ten subjects: Air, cultural, geology, land use paleontology, socio-economics, soils, vegetation, water, and wildlife. The Draft EIS provides the information needed for BLM to make this decision.

The regulations set forth in title 43 of the CFR, subpart 3400, provide the framework under which the Department of the Interior conducts leasing of rights to extract Federal coal. The objectives of these regulations are to establish policies and procedures for considering development of coal deposits through a leasing system involving land-use planning and environmental impact analysis. Additionally, the regulations are intended to ensure that coal deposits are developed in consultation, cooperation, and coordination with State and local governments, Indian tribes, involved Federal agencies and the general public.

Two primary alternatives were assessed for the Fence Lake Project EIS. These are approval of a Federal coal lease and disapproval of a Federal lease (No Action). Under the lease-approval alternative, two separate leasing actions were assessed.

Lease-Approval Alternative 1, SRP's Lease Application, would involve SRP's proposed action to lease 6,840 acres of Federal coal. Lease-Approval Alternative 2, Bypass Avoidance Lease Area, would evaluate a Federal coal lease of up to 8,780 acres. The additional coal areas added for Alternative 2 are based on preliminary estimates of coal areas that may be added to the lease to provide for maximum economic recovery of the coal resource and data that show additional coal reserves contiguous to the proposed lease area boundaries. Under Alternative 2, certain conditions would also be placed on a lease in order to comply with the BLM Socorro Resource Management Plan (RMP). These conditions would protect existing, high-sensitivity biological and cultural resources. For each of the Federal lease approved scenarios, the subsequent mining would encompass both the State and Federal lease areas together as a unit.

The No Action Alternative consists of disapproval of a Federal coal lease for the Fence Lake Project. If a Federal coal lease were not approved, SRP would mine only its existing private and State coal leases in the Fence Lake Project area.

Public hearings will be held at the following times and locations.

Date	Time	City	Location
June 4, 1990	2:00 p.m.	Resere, NM	Reserve Community Center.
June 4, 1990	7:00 p.m.	Quemado, NM	High School Multi-Purpose Room.
June 5, 1990	7:00 p.m.	Fence Lake, NM	The School House.
June 6, 1990	2:00 p.m.	Zuni, NM	New Conference Room.
June 6, 1990	7:00 p.m.	St. Johns, AZ	4-H Community Center.
June 7, 1990	7:00 p.m.	Albuquerque, NM	Holiday Inn—Pyramid, 5151 San Francisco NE.

Both oral and written comments may be given at the above listed hearings. Written comments may also be submitted to the BLM, Las Cruces District, 1800 Marquess, Las Cruces, NM 88005 on or before July 2, 1990.

Oral testimony will be limited to 10 minutes for each witness at the hearing. Additional time may be granted at the discretion of the presiding officer based on the number of speakers registered. The testimony time limitations will be enforced by the presiding officer. Written text of prepared speakers may be filed at the hearing whether or not the speaker has been able to complete the oral delivery in the allotted time.

Anyone wishing to speak is asked to sign the witness register in person before each hearing begins. A witness representing an organization must identify the organization on the witness register. After the last registered witness has been heard, the presiding officer will consider the request of any other person who wishes to testify, subject to the above conditions.

All oral and written comments on the adequacy of the Draft EIS will receive consideration in the Final EIS.

Copies of the Draft EIS have been distributed to a mailing list of identified interested parties. Single copies of the Draft EIS may be obtained from the BLM Las Cruces District Office, 1800 Marquess, Las Cruces, New Mexico; the BLM Santa Fe Rodeo Road Office, Division of Mineral Resources, 1474 Rodeo Road, Santa Fe, New Mexico; and the Socorro Resource Area Office, 198 Neel Avenue, NW, Socorro, New Mexico. Public reading copies are available for review at the BLM State Office, U.S. Federal Building, Santa Fe, NM, and at public and university libraries in Las Cruces, Socorro, Albuquerque, Truth or Consequences, Gallup and Grants, New Mexico and the Apache County Library in St. Johns, Arizona and the Native American Library in Window Rock, Arizona.

Dated: May 2, 1990.

Larry L. Woodard,

State Director, New Mexico.

[FR Doc. 90-10773 Filed 5-8-90; 8:45 am]

BILLING CODE 4310-FB-M

Bureau of Land Management

[UT-060-90-4212-14]

Intent To Amend Price River Resource Area Management Framework Plan

AGENCY: Bureau of Land Management, Moab.

ACTION: Notice of Intent To Amend Price River Resource Area Management Framework Plan, Carbon and Emery Counties, Utah.

SUMMARY: This notice of intent is to advise the public that the Bureau of Land Management (BLM) intends to amend an existing land use plan in accordance with 43 CFR parts 1610, 2200, and 2710.

SUPPLEMENTARY INFORMATION: The BLM is proposing to amend the 1983 Price River Planning Area Management Framework Plan (MFP) which includes public land in Carbon and Emery Counties, Utah. The purpose of the amendment is to identify certain lands as suitable for disposal through sale and exchange and to identify certain lands as suitable for acquisition through exchange. The general types of issues anticipated in the plan amendment are wildlife needs, rights of permittees and lessees, and the interests of adjoining land owners. Disciplines to be represented on the interdisciplinary team preparing the plan amendments and environmental assessments are: Wildlife, recreation, range, minerals, watershed, land use planning, and realty. The proposed amendments are being prepared in response to four separate proposals identified below:

Land Exchange UTU-54732

A. *BLM Land (Public Land) Selected*—Total acreage 240.0

Salt Lake Meridian, Utah

T. 14 S., R. 10 E.,
Sec. 14, E2SE4 (80.0 ac.) (surface and minerals);
Sec. 23, NE4 (160.0 ac.) (surface and minerals).

B. *Proponent Lands (Private Land) Offered*—Total acreage 441.91

T. 13 S., R. 10 E.,
Sec. 11, SE4 (160.0 ac.) (surface and minerals);
Sec. 14, NW4NE4 (40.0 ac.), NE4NW4 (40.0 ac.) (surface and minerals).

T. 13 S., R. 11 E.,
Sec. 31, lot 3 (40.22 ac.), lot 4 (40.18 ac.) (surface only).

T. 14 S., R. 11 E.,
Sec. 6, lot 4 (40.78 ac.) (surface only);
Sec. 7, lot 1 (40.34 ac.), lot 2 (40.39 ac.) (surface only).

Land Exchange UTU-65023

A. *BLM Land (Public Land) Selected*—Total acreage 160.0 (surface and minerals)

Salt Lake Meridian, Utah

T. 13 S., R. 11 E.,
Sec. 25, S2SW4NE4, E2NE4SW4, SW4SW4, W2SE4.

B. *Proponent Land (Private Land) Offered*—Total acreage 160.0 (surface and minerals)

Salt Lake Meridian, Utah

T. 14 S., R. 11 E.,
Sec. 13, S2SW4, NE4SW4;
Sec. 24, NE4NW4.

Public Land Sale UTU-64644

Total acreage 36.77 (surface only)

Salt Lake Meridian, Utah

T. 16 S., R. 9 E.,
Sec. 24, lot 1

Public Land Sale UTU-64646

Total acreage 473.50 (surface only)

Salt Lake Meridian, Utah

T. 21 S., R 16 E.,
Sec. 7, lot 3 (36.73 ac.), lot 4 (36.77 ac.), S2NE4 (80.0 ac.), SE4NW4 (40.0 ac.), E2SW4 (80.0 ac.), N2SE4 (80.0 ac.), S2NE4 (80.0 ac.);
Sec. 8, SW4NW4 (40.0 ac.).

A separate planning amendment will be prepared for each of the identified proposals. The proposed planning amendments would identify the public lands for disposal (described above) and the private lands for acquisition. An environmental assessment will be prepared for each application utilizing public input. The assessment will address resource values and conflicts. It will also include a determination as to the proposed actions' consistency with the policies and programs of the Bureau of Land Management and the programs of local, State, and other Federal agencies. A decision statement will then be issued by the Utah State Director specifying whether the plan will be amended to accommodate the applications.

The publication of this notice in the **Federal Register** will segregate the

public lands described above to the extent that they will not be subject to appropriation under the public land laws, including the mining laws. This segregative effect shall terminate upon issuance of patent to such lands, upon publication in the Federal Register of a termination of the segregation, or 2 years from the date of this publication for the lands involved in the proposed exchanges and 270 days from the date of publication for the lands involved in the proposed public sales, whichever occurs first. BLM will accept comments on the proposed amendments for a period of 30 days from the date of publication in the **Federal Register.** Those wishing to comment on the proposals or obtain additional information may contact Brad Groesbeck, Moab District Realty Specialist, P.O. Box 970, Moab, Utah 84532, (801) 259–6111 or Mark Mackiewicz, Area Realty Specialist, 900 North 700 East, Price, Utah 84501, (801) 637–4584. Other public participation activities will include a 60-day review of the draft plan amendments and EAs.

Dated: May 2, 1990.

James M. Parker,

State Director.

[FR Doc. 90–10761 Filed 5–8–90; 8:45 am]

BILLING CODE 4310-DQ-M

[WY-920-00-4111-15; WYW96058]

Notice of Proposed Reinstatement of Terminated Oil and Gas Lease

April 30, 1990.

Pursuant to the provisions of Public Law 97–451, 96 Stat. 2462–2466, and Regulation 43 CFR 3108.2–3(a) and (b)(1), a petition for reinstatement of oil and gas lease WYW96058 for lands in Sweetwater County, Wyoming, was timely filed and was accompanied by all the required rentals accruing from the date of termination.

The lessee has agreed to the amended lease terms for rentals and royalties at rates of $5 per acre, or fraction thereof, per year and 16⅔ percent, respectively.

The lessee has paid the required $500 administrative fee and $125 to reimburse the Department for the cost of this Federal Register notice. The lessee has met all the requirements for reinstatement of the lease as set out in section 31 (d) and (e) of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 188), and the Bureau of Land Management is proposing to reinstate lease WYW96058 effective December 1, 1989, subject to the original terms and conditions of the lease and the increased rental and royalty rates cited above.

Beverly J. Poteet,

Supervisory Land Law Examiner.

[FR Doc. 90–10776 Filed 5–8–90; 8:45 am]

BILLING CODE 4310-22-M

Minerals Management Service

Environmental Documents Prepared for Proposed Oil and Gas Operations on the Gulf of Mexico Outer Continental Shelf (OCS)

AGENCY: Minerals Management Service, Department of the Interior.

ACTION: Notice of the availability of environmental documents prepared for OCS mineral proposals on the Gulf of Mexico OCS.

SUMMARY: The Minerals Management Service (MMS), in accordance with Federal Regulations (40 CFR § 1501.4 and § 1506.6) that implement the National Environmental Policy Act (NEPA), announces the availability of NEPA-related Environmental Assessments (EA's) and Findings of No Significant Impact (FONSI's), prepared by the MMS for the following oil and gas activities proposed on the Gulf of Mexico OCS. This listing includes all proposals for which FONSI's were prepared by the Gulf of Mexico OCS Region in the period subsequent to publication of the preceding notice.

Activity/Operator	Location	Date
Oryx Energy Company, one exploratory well, SEA No. U-0642	Garden Banks area, Block 96, Lease OCS-G 6333, 127 miles southeast of Texas coastline.	Jan. 22, 1990.
Kerr-McGee Corporation, structure removal operations, SEA No. ES/SR 89-045.	Ship Shoal Area, Block 29, Lease OCS 0345, 7 miles south of Terrebonne Parish, LA.	Oct. 17, 1989.
ODECO Oil and Gas Company, structure removal operations, SEA No. ES/SR 89-059A.	Ship Shoal Area, Block 114, Lease OCS 064, 22 miles south of Terrebonne Parish, LA.	Dec. 1, 1989.
Mobil Exploration & Producing U.S. Inc., structure removal operations, SEA No. ES/SR 89-098.	Eugene Island Area, Block 126, Lease OCS 052, 30 miles south of Saint Mary Parish, LA.	Nov. 28, 1989.
Kerr-McGee Corporation, structure removal operations, SEA No. ES/SR 89-100.	Ship Shoal Area, Block 29, Lease OCS 0345, 7 miles south of Terrebonne Parish, LA.	Dec. 7, 1989.
Hall-Houston Oil Company, structure removal operations, SEA No. ES/SR 89-103.	Mustang Island Area, Block 752, Lease OCS-G 5983, 14 miles southeast of Mustang Island, TX.	Nov. 28, 1989.
ARCO Oil and Gas Company, structure removal operations, SEA No. ES/SR 89-104.	West Cameron Area, Blocks 205, 212, 238, and 239; Leases OCS-G 2832, 4758, 2834, and 3865, respectively; between 45-50 miles south of Cameron Parish, LA.	Mar. 9, 1990.
Chevron U.S.A. Inc., structure removal operations, SEA No. ES/SR 90-003.	Sabine Passs Area, Block 11, Lease OCS-G, 4191, 17 miles south of Cameron Parish, LA.	Feb. 8, 1990.
Walter Oil & Gas Corporation, structure removal operations, SEA No. ES/SR 90-007.	Matagorda Island Area, Block 565, Lease OCS-G 4136, 10 miles southeast of Matagorda Island, TX.	Dec. 5, 1989.
Tenneco Oil Company, structure removal operations, SEA No. ES/SR 90-008.	South Marsh Island Area, Block 79, Lease OCS-G1211, 66 miles south of Iberia Parish, LA.	Dec. 11, 1989
Unocal Corporation, structure removal operations, SEA No. ES/SR 90-011.	Vermilion Area, Block 67, Lease OCS 0560, 18 miles south of Vermilion Parish, LA.	Jan. 3, 1990.
Chevron U.S.A. Inc., structure removal operations, SEA No. ES/SR 90-012.	South Timbalier Area, Block 29, Lease OCS-G 2621, 10 miles south of Lafourche Parish, LA.	Dec. 5, 1989.
CNG Producing Company, structure removal operations, SEA Nos. ES/SR 90-013, 90-014, and 90-015.	Eugene Island Area, Block 392, Lease OCS-G 2332, 103 miles south of Iberia Parish, LA; West Cameron Area, Block 624, Lease OCS-G 2336, 120 miles south of Cameron Parish, LA; and Ship Shoal Area, Block 320, Lease OCS-G 2144, 77 miles south of Terrebonne Parish, LA.	Feb. 1, 1990.
ARCO Oil and Gas Company, structure removal operations, SEA No. ES/SR 90-016.	High Island Area, Block A-466, Lease OCS-G 3242, 82 miles southeast of Brazoria County, TX.	Jan. 25, 1990.
Shell Offshore Inc., structure removal operations, SEA No. ES/SR 90-018.	Breton Sound Area, Block 56, Lease OCS-G 4123, 13 miles northeast of the mouth of Main Pass off of Plaquemines Parish, LA.	Dec. 19, 1989.

Activity/Operator	Location	Date
Seagull Energy E&P Inc., structure removal operations, SEA No. ES/SR 90-019.	Galveston Area, Block 213, Lease OCS-G 4142, 13 miles southeast of Galveston, TX.	Feb. 6, 1990.
ODECO Oil & Gas Company, structure removal operations, SEA No. ES/SR 90-020.	South Pelto Area, Block 12, Lease OCS-072, 9 miles south of Terrebonne Parish, LA.	Jan. 24, 1990.
Petrofina Delaware, Incorporated, structure removal operations, SEA No. ES/SR 90-021.	Eugene Island Area, Block 79, Lease OCS-G 3993, 10 miles south of Terrebonne Parish, LA.	Jan. 25, 1990.
Conn Energy, Inc., structure removal operations, SEA No. ES/SR 90-022.	West Cameron Area, Block 264, Lease OCS-G 3381, 47 miles south of Cameron Parish, LA.	Jan. 26, 1990.
Conn Energy, Inc., structure removal operations, SEA No. ES/SR 90-022A.	West Cameron Area, Block 264, Lease OCS-G 3381, 47 miles south of Cameron Parish, LA.	Feb. 16, 1990.
Mobil Exploration & Producing U.S. Inc., structure removal operations, SEA No. ES/SR 90-024.	Eugene Island Area, Block 105, Lease OCS 0797, 17 miles south of Terrebonne Parish, LA.	Feb. 13, 1990.

Persons interested in reviewing environmental documents for the proposals listed above or obtaining information about EA's and FONSI's prepared for activities on the Gulf of Mexico OCS are encouraged to contact the MMS office in the Gulf of Mexico OCS Region.

FOR FURTHER INFORMATION CONTACT: Public Information Unit, Information Services Section, Gulf of Mexico OCS Region, Minerals Management Service, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123–2394, Telephone (504) 736–2519.

SUPPLEMENTARY INFORMATION: The MMS prepares EA's and FONSI's for proposals which relate to exploration for and the development/production of oil and gas resources and structure removals on the Gulf of Mexico OCS. The EA's examine the potential environmental effects of activities described in the proposals and present MMS conclusions regarding the significance of those effects. Environmental Assessments are used as a basis for determining whether or not approval of the proposals constitutes major Federal actions that significantly affect the quality of the human environment in the sense of NEPA section 102(2)(C). A FONSI is prepared in those instances where the MMS finds that approval will not result in significant effects on the quality of the human environment. The FONSI briefly presents the basis for that finding and includes a summary or copy of the EA. This notice constitutes the public notice of availability of environmental documents required under the NEPA Regulations.

Dated: May 1, 1990.

J. Rogers Pearcy,

Regional Director, Gulf of Mexico OCS Region.

[FR Doc. 90–10775 Filed 5–8–90; 8:45 am]

BILLING CODE 4310-MR-M

Reclamation Bureau

Environmental Impact Statement, Clark County, NV, and Mohave County, AZ

AGENCY: Bureau of Reclamation (Interior).

ACTION: Notice of intent to prepare a draft environmental impact statement; notice of scoping meetings.

SUMMARY: Pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, the Department of the Interior proposes to prepare a draft environmental impact statement (EIS) for a Colorado River Crossing near Hoover Dam, Arizona, Nevada.

DATES AND LOCATIONS: There will be three public meetings:

- June 6, 1990, 7 p.m., National Guard Classroom, 700 West Beale Street, Kingman, AZ.
- June 7, 1990, 1 p.m., Conference Chamber, Boulder City City Hall, Boulder City, NV.
- June 7, 1990, 7 p.m., Commissioner's Room, Fifth Floor, McCarran Airport, Las Vegas, NV.

FOR FURTHER INFORMATION CONTACT: Mr. Michael Walker (Code: LC–155), Bureau of Reclamation, P.O. Box 427, Boulder City, NV 89005, telephone: (702) 293–8526.

SUPPLEMENTARY INFORMATION: In recognition of the growing traffic hazards over Hoover Dam, the Bureau of Reclamation (Reclamation) is seeking a permanent solution for reducing traffic at the dam. These hazards have been identified for over 20 years. On August 17, 1984, Congress passed Public Law 98–381, which authorized a Colorado River crossing near Hoover Dam. An alternate crossing is needed because of the following:

1. The heavy highway traffic across the dam presently interferes with normal day-to-day operation and maintenance of the dam and facilities;

2. The increasingly heavy traffic represents an ever-mounting hazard to high numbers of visitors at Hoover Dam; and

3. There are special hazards to the dam and facilities because of the commercial truck traffic which transports fuels, chemicals, and radioactive materials. There have been numerous accidents involving commercial vehicles in the immediate area of the dam. An especially damaging accident could occur if a truck containing fuel, chemical, or hazardous materials lost its load on top of the dam and the material entered the drain system at the dam and exploded or entered the lake. This could cause substantial damage to the power-generating facilities or contaminate a major supply of water for downstream users.

The purpose of the proposed project is to provide a permanent solution to the high volume of traffic presently using Highway 93 across Hoover Dam. Since 1964, Reclamation has been seeking a solution to this problem in cooperation with the Federal Highway Administration (FHWA) and both the Nevada and the Arizona Departments of Transportation. During the course of planning, several alternatives have been developed. From those developed, four action alternatives and various traffic system alternatives have been carried forward for more detailed analysis and evaluation. The four action alternatives are:

1. Gold Strike Canyon Crossing. This alternative would be located approximately 1 mile downstream from Hoover Dam. The proposed method of crossing would be to construct a steel-arch bridge across Black Canyon. This alternative would require the construction of 1 mile of approach road within Arizona and 3 miles of approach road within Nevada.

2. Promontory Point Crossing. This alternative would be located approximately 1,000 feet upstream from Hoover Dam and would require constructing approximately ½ mile of

approach road in Arizona and 3 miles of approach road in Nevada.

3. Willow Beach Crossing. This alternative would be located approximately 14 miles downstream from Hoover Dam. It involves approximately 16 miles of approach road on the Nevada side of the river and approximately 9 miles of approach road on the Arizona side.

4. Hoover Dam Modification. This alternative would require widening the existing crest of Hoover Dam by approximately 40 feet and upgrading and widening the approaches on both the Arizona and Nevada sides.

5. Traffic management alternatives will also be examined.

Letters describing the proposed action and the scope of studies and soliciting comments will be sent to appropriate Federal, state, and local agencies, and to private organizations and citizens who express interest in the proposal. Scoping meetings are planned during the spring and summer of 1990. Meetings will be held with interested resource agencies and the general public. There will be three public meetings to solicit information from all interested public entities and persons to assist in determining the scope of the EIS and to identify the significant issues related to the proposed action. Public notices of the date, time, and place of these meetings will be provided in local newspapers. Public involvement and interagency coordination will be maintained throughout the development of the EIS. To ensure that the full range of issues related to this proposed action are addressed and that all significant issues are identified, comments or questions concerning this action and the EIS should be directed to the contact provided above.

Dated: May 3, 1990.

Joe D. Hall,

Deputy Commissioner.

[FR Doc. 90-10783 Filed 5-8-90; 8:45 am]

BILLING CODE 4310-09-M

Office of Surface Mining Reclamation and Enforcement

Intent To Prepare an Environmental Impact Statement on the Proposed Development of the Bull Mountains Mine No. 1 and Associated Support Facilities, Musselshell and Yellowstone Counties, MT

AGENCY: Office of Surface Mining Reclamation and Enforcement, Interior.

ACTION: Notice of intent to prepare an environmental impact statement, announcement of a scoping period during which written comments will be received, and announcement of two public scoping meetings during which oral statements will be received.

SUMMARY: Notice is hereby given that the Office of Surface Mining Reclamation and Enforcement (OSM) and the Montana Department of State Lands (DSL) intend to jointly prepare an environmental impact statement (EIS) on the proposed development of the Bull Mountains Mine No. 1 and its associated support facilities. Meridian Minerals Company (Meridian) has submitted a permit application package (PAP) for their proposed underground coal mine and its associated support facilities, located approximately 35 miles northeast of Billings, Montana and 12 miles southeast of Roundup, Montana. The EIS will be prepared to assist the Department of the Interior and Montana DSL in making decisions on the application for Federal and State permits to mine coal and for the possible Federal approval of a mining plan.

DATES: Comment Period: Written comments regarding the scope of the EIS analysis will be accepted through July 9, 1990 at either of the two locations listed below, under "**ADDRESSES**".

Public Meetings: The agencies will hold two public meetings for the receipt of oral statements regarding the scope of the EIS analysis. The first meeting will begin at 7 p.m. on June 11, 1990 at the Lewis and Clark Room of the Eastern Montana College Student Union in Billings, Montana. The second meeting will begin at 7 p.m. on June 12, 1990 at the Central School in Roundup, Montana.

ADDRESSES: Written comments regarding the scope of the EIS analysis should be mailed or hand-delivered to either: (i) Peter A. Rutledge, Chief, Federal Programs Division, Office of Surface Mining Reclamation and Enforcement, Western Field Operations, Brooks Towers, Second Floor, 1020—15th Street, Denver, Colorado 80202, (Attention: Floyd McMullen); or (ii) Dennis Casey, Commissioner, Montana Department of State Lands, Capitol Station, Helena, Montana 59620, (Attention: Bonnie Lovelace).

FOR FURTHER INFORMATION CONTACT: Floyd McMullen, Bull Mountains EIS Project Manager (telephone: 303-844-3104) at the Denver, Colorado location given under "**ADDRESSES**".

SUPPLEMENTARY INFORMATION: Meridian's proposed Bull Mountains Mine No. 1 would be a new underground coal mine located in Musselshell County, approximately 35 miles northeast of Billings, Montana, and 12 miles southeast of Roundup, Montana. Meridian proposes to recover 97.4 million tons of clean coal from the mine over a 36-year period at an average rate of approximately 3.4 million tons per year, using both longwall and room-and-pillar methods. During the first two years of operation, the coal would be loaded onto trucks for transport along 38.5 miles of county and State roads to an existing rail loadout near Huntley, Montana, in Yellowstone County. The coal would be loaded directly onto trains at the mine after completion of a proposed 29-mile rail spur from the Burlington-Northern mainline in Yellowstone County near Broadview, Montana.

Meridian expects the mine to eventually cover 10,856 acres of land in secs. 12, 13, and 14, T. 6 N., R. 26 E., and secs. 3, 4, 5, 7 through 11, and 14 through 23, T. 6 N., R. 27 E., Montana Principal Meridian. Approximately 205 of these acres, located in secs. 12, 13, and 14, T. 6. N., R. 26 E., would be disturbed by associated support facilities, including sediment ponds, subsoil/topsoil stockpiles, coal-processing facilities, the railroad-loadout loop, an 8-acre rock quarry, and a 205-acre waste disposal area for mine development and coal processing waste. Another 8,000 of these acres could experience the surface effects of subsidence caused by the underground mining activities. Meridian's proposals to construct the rail spur, upgrade the existing powerline to 69-KV, upgrade the existing State and county roads for truck haul, and reclaim the existing Huntley loadout would disturb an additional 250 acres outside the proposed 10,856-acre life-of-mine area.

The EIS will analyze the probable impacts that would result should OSM and Montana DSL approve the application for, and Meridian subsequently develop, the proposed Bull Mountains Mine No. 1. The EIS will also analyze the probable cumulative impacts that would result from regional coal mining and transportation activities—not only at the proposed Bull Mountains Mine No. 1, but also at other existing and proposed mines in its vicinity in northcentral Montana. The major alternative actions OSM and Montana DSL have thus far identified for consideration in the EIS include: (i) Issuance of a Federal permit to mine coal, a State permit to mine coal, and, if necessary, a Federal approval of the mining plan, with such conditions, if any, necessary to assure compliance with requirements of the Mineral Leasing Act of 1920, the Surface Mining Control and Reclamation Act of 1977,

the Montana Strip and Underground Mine and Reclamation Act, and other Federal and State laws; (ii) disapproval of the Federal permit to mine coal, the State permit to mine coal, and the Federal mining plan; and (iii) no action.

OSM and Montana DSL are requesting that any interested party submit written comments, and/or attend the public meetings to submit oral statements, regarding the scope of the EIS analysis. Comments/statements received by OSM and Montana DSL will assist those agencies in gathering information and in defining the scope of issues and concerns to be evaluated in the EIS.

Dated: May 3, 1990.

Raymond L. Lowrie,

Assistant Director, Western Field Operations.

[FR Doc. 90-10787 Filed 5-8-90; 8:45 am]

BILLING CODE 4310-05-M

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Agency for International Development

Housing Guaranty Program; Investment Opportunity

The Agency for International Development (A.I.D.) has authorized the guaranty of loans for the Republic of Indonesia ("Borrower") as part of A.I.D.'s development assistance program. The proceeds of these loans will be used to finance infrastructure and shelter projects for low-income families in Indonesia. At this time, the Government of Indonesia has authorized A.I.D. to request proposals from eligible lenders for a loan under this program of $25 Million Dollars ($25,000,000). The name and address of the representatives of the Borrower to be contacted by interested U.S. lenders or investment bankers, the amount of the loan and project number are indicated below:

Government of Indonesia

Project: 497-HG-001—$25,000,000

Loan Guaranty Authorization No: 497-HG-002

1. Attention: Mr. Benjamin Parwoto, Director General of Budget, Ministry of Finance, Jalan Lapangan Banteng Timur No. 2, Jakarta, Indonesia
   Telex No.: 46415 DJMLNIA or 44319 DEPKEU
   Telefax No.: 62-21-372758
   Telephone No.: 62-21-358289, 372758 or 342234 or 348294 and
2. Attention: Mr. Syahril Sabirin, Bank of Indonesia, Jalan M.H. Thamrin No. 2, Jakarta, Indonesia
   Telex No.: 44200 BISIR IA or 46611 BISIR IA
   Telefax No.: 62-21-362896
   Telephone No.: 62-21-362938 and
3. Attention: Mr. Djamalius Luddin, Bank of Indonesia, One World Financial Center, 200 Liberty Street, 6th Floor, New York, N.Y. 10281
   Telefax No.: 212/945-1316
   Telephone No.: 212/945-1310 or 1315

Interested lenders should contact the Borrower as soon as possible and indicate their interest in providing financing for the Housing Guaranty Program. Interested lenders should deliver their bids to all of the Borrower's representatives by Wednesday, May 23, 1990, 12 noon Eastern Standard Time. Bids should be open for a period of 48 hours from the bid closing date. Copies of all bids should be simultaneously sent to the following:

Mr. David L. Painter, Assistant Director/Asia RHUDO/Bangkok, USAID/Thailand, Box 47 APO San Francisco, CA 96346 (Street address: 37 Soi Somprasong 3, Petchburi Road, Bangkok, Thailand)
Telex No.: 87058 RPS TH
Telefax No.: 662-255-3730 (preferred communication)
Telephone No.: 662-255-3665

Mr. William Frej, USAID/Indonesia, Box 4 APO San Francisco, CA 96356 (Street address: Jl Medan Merdeka Seletan, Jakarta, Indonesia)
Telex No.: 44218 AMEMB IA
Telefax No.: 62-21-380-6694 (preferred communication)
Telephone No.: 62-21-360360

Sean P. Walsh, Agency for International Development, PRE/H, room 401, SA-2, Washington, DC 20523-0214
Telex No.: 892703 AID WSA
Telefax No.: 202/663-2552 (preferred communication)
Telephone No.: 202/663-2530

For your information the Borrower is currently considering the following terms:

(1) *Amount:* U.S. $25 million.

(2) *Term:* Up to 30 years.

(3) *Grace Period:* Ten years with repayment amortizing evenly over the remaining life of the loan.

(4) *Interest Rate:* Alternatives of fixed and variable rates. If variable, preferably with terms relating to Borrower's right to convert to fixed. Index variable alternatives to U.S. T-bill rates.

(5) *Prepayment:* Offers should include the terms for partial or total prepayment of the loan by the Borrower specifying the earliest date the option can be exercised without penalty.

(6) *Fees:* Offers should specify the contracting fees and expenses. Lenders are requested to include all legal fees in their placement fee. Such fees and expenses shall be payable at closing from the proceeds of the loan.

(7) *Closing Date:* Estimated 60 days from date of selection of investor.

Selection of investment bankers and/or lenders and the terms of the loan are initially subject to the individual discretion of the Borrower and thereafter subject to approval by A.I.D. Disbursements under the loan will be subject to certain conditions required of the Borrower by A.I.D. as set forth in agreements between A.I.D. and the Borrower.

The full repayment of the loans will be guaranteed by A.I.D. The A.I.D. guaranty will be backed by the full faith and credit of the United States of America and will be issued pursuant to authority in section 222 of the Foreign Assistance Act of 1961, as amended (the "Act").

Lenders eligible to receive an A.I.D. guaranty are those specified in section 238(c) of the Act. They are: (a) U.S. citizens; (2) domestic U.S. corporations, partnerships, or associations substantially beneficially owned by U.S. citizens; (3) foreign corporations whose share capital is at least 95 percent owned by U.S. citizens; and, (4) foreign partnerships or associations wholly owned by U.S. citizens.

To be eligible for an A.I.D. guaranty, the loans must be repayable in full no later than the thirtieth anniversary of the disbursement of the principal amount thereof and the interest rates may be no higher than the maximum rate established from time to time by A.I.D.

Information as to the eligibility of investors and other aspects of the A.I.D. housing guaranty program can be obtained from: Peter M. Kimm, Director, Office of Housing and Urban Programs, Agency for International Development, room 401, SA-2, Washington, DC 20523-0214, Telephone: 202/663-2530.

Dated: May 4, 1990.

Michael G. Kitay,

Assistant General Counsel, Bureau for Private Enterprise, Agency for International Development.

[FR Doc. 90-10846 Filed 5-8-90; 8:45 am]

BILLING CODE 6116-01-M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-307]

Certain Catalyst Components and Catalysts for the Polymerization of Olefins; Commission Determination Not To Review Initial Determination Designating the Investigation More Complicated

AGENCY: International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the Commission has determined not to review an initial determination (ID) (Order No. 16) issued by the presiding administrative law judge (ALJ) designating the above-captioned investigation "more complicated" and extending the administrative deadline for issuance of the ALJ's final ID by five months, *i.e.*, from August 8, 1990, until January 8, 1991. The Commission has also extended the deadline for completion of the investigation by six months, *i.e.*, from November 8, 1990, until May 8, 1991.

ADDRESSES: Copies of the ID and all other nonconfidential documents filed in connection with this investigation are available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E. Street SW., Washington, DC 20436, telephone 202-252-1000.

FOR FURTHER INFORMATION CONTACT: George Thompson, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436; telephone 202-252-1090.

Hearing-impaired individuals are advised that information about this matter can be obtained by contacting the Commission's TDD terminal 202-252-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation effective November 8, 1989. On April 12, 1990, the presiding ALJ issued an ID (Order No. 16) pursuant to Commission interim rules 210.59(a) and 210.53(c) designating this investigation more complicated. The reasons for designating the case more complicated are the technologically complex subject matter of the investigation, the extensive discovery that will be necessary in the investigation, the ALJ's certification for interlocutory appeal of an ID finding Montedison, S.p.A. to be an indispensible party to this investigation and potential delays that this certification may cause in completing the investigation, the anticipated three to four week period necessary for the evidentiary hearing before the ALJ, the existence of concurrent district court proceedings covering in part the subject matter of this investigation and involving counsel for the parties to this investigation, and the fact that the ALJ's participation in other pending investigations could conflict with the original schedule in this investigation.

No petitions for review of the ID or government agency comments were received.

This action is taken under the authority of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and by commission interim rule 210.59 (19 CFR 210.59).

By order of the Commission.

Issued: May 3, 1990.

Kenneth R. Mason,

Secretary.

[FR Doc. 90-10791 Filed 5-8-90; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 731-TA-445 (Final)]

Industrial Nitrocellulose from Yugoslavia

AGENCY: International Trade Commission.

ACTION: Institution of final antidumping investigation and notice of a hearing to be held in connection with the investigation. To the maximum extent possible, the Commission shall conduct this investigation on the same schedule as the Commission's investigations Nos. 731-TA-439 through 444 (Final), industrial nitrocellulose from Brazil, Japan, the People's Republic of China, the Republic of Korea, the United Kingdom, and West Germany (55 FR 9781, March 15, 1990).

SUMMARY: The Commission hereby gives notice of the institution of final antidumpting investigation No. 731-TA-445 (Final) (Yugoslavia), under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b) (the act), to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Yugoslavia of industrial nitrocellulose,[1] provided for in subheading 3912.20.00 of the Harmonized Tariff Schedules of the United States), that have been found by the Department of Commerce, in a preliminary determination, to be sold in the United States at less than fair value (LTFV). Unless the investigation is extended, Commerce will make its final LTFV determination on or before July 2, 1990, and the Commission will make its final injury determination by August 16, 1990 (see sections 735(a) and 735(b) of the act (19 U.S.C. 1673d(a) and 1673d(b))).

For further information concerning the conduct of this investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and C (19 CFR part 207), and part 201, subparts A through E (19 CFR part 201).

EFFECTIVE DATE: April 19, 1990.

FOR FURTHER INFORMATION CONTACT: Tedford Briggs (202-252-1181), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-252-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-252-1000.

SUPPLEMENTARY INFORMATION:

Background

This investigation is being instituted as a result of an affirmative preliminary determination by the Department of Commerce that imports of industrial nitrocellulose from Yugoslavia are being sold in the United States at less than fair value within the meaning of section 733 of the act (19 U.S.C. 1673b). The investigation was requested in a petition filed on September 19, 1989, by Hercules Incorporated, Wilmington, Delaware. In response to that petition the Commission conducted a preliminary antidumping investigation and, on the basis of information developed during the course of that investigation, determined that there was a reasonable indication that an industry in the United States was materially injured by reason of imports of the subject merchandise (54 FR 47738, November 16, 1989).

Participation in the Investigation

Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than twenty-one (21) days after the publication of this notice in the **Federal Register**. Any entry of appearance filed after this date will be referred to the Chairman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

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[1] Industrial nitrocellulose is a dry, white, amorphous synthetic chemical with a nitrogen content between 10.8 and 12.2 percent, which is produced from the reaction of cellulose with nitric acid. Industrial nitrocellulose is used as a film-former in coatings, lacquers, furniture finishes, and printing inks. The scope of this investigation does not include explosive grade nitrocellulose, which has a nitrogen content of greater than 12.2 percent.

Public Service List

Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and 207.3 of the rules (19 CFR 201.16(c), each public document filed by a party to the investigation must be served on all other parties to the investigation (as identified by the public service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Limited Disclosure of Business Proprietary Information Under a Protective Order and Business Proprietary Information Service List

Pursuant to § 207.7(a) of the Commission's rules (19 CFR 207.7(a)), the Secretary will make available business proprietary information gathered in this final investigation to authorized applicants under a protective order, provided that the application be made not later than twenty-one (21) days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive business proprietary information under a protective order. The Secretary will not accept any submission by parties containing business proprietary information without a certificate of service indicating that it has been served on all the parties that are authorized to receive such information under a protective order.

Staff Report

The prehearing staff report in this investigation will be placed in the nonpublic record on May 14, 1990, and a public version will be issued thereafter, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

Hearing

The Commission will hold a hearing in connection with this investigation; the hearing will be a consolidated proceeding for investigations Nos. 731–TA–439 through 445, industrial nitrocellulose from Brazil, Japan, the People's Republic of China, the Republic of Korea, the United Kingdom, West Germany, and Yugoslavia. The hearing will begin at 9:30 a.m. on May 29, 1990, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on May 18, 1990. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on May 23, 1990, at the U.S. International Trade Commission Building. Pursuant to § 207.22 of the Commission's rules (19 CFR 207.22) each party is encouraged to submit a prehearing brief to the Commission. The deadline for filing prehearing briefs is May 23, 1990. If prehearing briefs contain business proprietary information, a non-business proprietary version is due May 24, 1990.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23). This rule requires that testimony be limited to a nonbusiness proprietary summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. Any written materials submitted at the hearing must be filed in accordance with the procedures described below and any business proprietary materials must be submitted at least three (3) working days prior to the hearing (see § 201.6(b)(2) of the Commission's rules (19 CFR 201.6(b)(2)).

Written Submissions

Prehearing briefs submitted by parties must conform with the provisions of § 207.22 of the Commission's rules (19 CFR 207.22) and should include all legal arguments, economic analyses, and factual materials relevant to the public hearing. Posthearing briefs submitted by parties in connection with this investigation must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on July 16, 1990. If posthearing briefs contain business proprietary information, a non-business proprietary version is due July 17, 1990. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before July 16, 1990.

A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the Commission's rules (19 CFR 201.8). All written submissions except for business proprietary data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any information for which business proprietary treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Business Proprietary Information." Business proprietary submissions and requests for business proprietary treatment must conform with the requirements of §§ 201.6 and 207.7 of the Commission's rules (19 CFR 201.6 and 207.7).

Parties which obtain disclosure of business proprietry information in connection with this investigation pursuant to § 207.7(a) of the Commission's rules (19 CFR 207.7(a)) may comment on such information in their prehearing and posthearing briefs, and may also file additional written comments on such information no later than July 20, 1990. Such additional comments must be limited to comments on business proprietary information received in or after the posthearing briefs.

Authority: This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20).

Issued: May 2, 1990.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 90–10792 Filed 5–8–90; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 337–TA–304]

Certain Pressure Transmitters

Notice is hereby given that the prehearing conference in this matter will commence at 9:00 a.m. on May 7, 1990, in Courtroom C (Room 217), U.S. International Trade Commission Building, 500 E St. SW., Washington, DC, and the hearing will commence immediately thereafter.

The Secretary shall publish the notice in the **Federal Register**.

Issued: May 1, 1990.

Janet D. Saxon,

Chief Administrative Law Judge.

[FR Doc. 90–10799 Filed 5–8–90; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 337-TA-313]

Certain Process, Apparatus, and Components Thereof, for the Production of Spunbond Nonwoven Fabric, and Fabric Made Therefrom; Investigation

AGENCY: International Trade Commission.

ACTION: Institution of investigation pursuant to 19 U.S.C. 1337.

SUMMARY: Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on April 2, 1990, under section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, on behalf of Kimberly-Clark Corporation, 1400 Holcomb Bridge Road, Roswell, Georgia 30076. The complaint was supplemented on April 19, 1990. The complaint, as supplemented, alleges violations of section 337 in the importation into the United States, the sale for importation, and the sale within the United States after importation of (1) certain apparatus, and components thereof, for the production of spunbond nonwoven fabric, by reason of alleged direct and contributory infringement of claims 1, 3, 4, and 7 of U.S. Letters Patent 4,405,297, and by reason of alleged direct, contributory and induced infringement of claims 1, 3, 4, 5, and 6 of U.S. Letters Patent 4,340,563, and (2) certain spunbond nonwoven fabric, made abroad by a process covered by claims 1, 3, 4, 5, and 6 of U.S. Letters Patent 4,340,563, and that there exists an industry in the United States as required by subsection (a)(2) of section 337.

The complainant requests that the Commission institute an investigation and, after a public hearing, issue permanent exclusion orders and permanent cease and desist orders.

ADDRESSES: The complaint, except for any confidential information contained therein, is available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, SW., Room 112, Washington, DC 20436, telephone 202-252-1802. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-252-1810.

FOR FURTHER INFORMATION CONTACT: James M. Gould, Esq., Office of Unfair Import Investigations, U.S. International Trade Commission, telephone 202-252-1578.

AUTHORITY: The authority for institution of this investigation is contained in section 337 of the Tariff Act of 1930, as amended, and in section 210.12 of the Commission's Interim Rules of Practice and Procedure, 19 C.F.R. § 210.12.

SCOPE OF INVESTIGATION: Having considered the complaint, the U.S. International Trade Commission, on April 30, 1990, ordered that—

(1) Pursuant to subseciton (b) of section 337 of the Tariff Act of 1930, as amended, an investigation be instituted to determine:

(a) whether there is a violation of subsection (a)(1)(B)(i) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain apparatus or components thereof for the production of spunbond nonwoven fabric by reason of alleged direct or contributory infringement of claims 1, 3, 4, or 7 of U.S. Letters Patent 4,405,297 or by reason of alleged contributory or induced infringement of claims 1, 3, 4, 5, or 6 of U.S. Letters Patent 4,340,563;

(b) whether there is a violation of subsection (a)(1)(B)(ii) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain spunbond nonwoven fabric made abroad by a process allegedly covered by claims 1,3, 4, 5, or 6 of U.S. Letters Patent 4,340,563; and

(c) whether there exists an industry in the United States as required by subsection (a)(2) of section 337.

(2) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainant is—Kimberly-Clark Corporation, 1400 Holcomb Bridge Road, Roswell, Georgia 30076.

(b) The respondents are the following companies alleged to be in violation of section 337, and are the parties upon which the complaint is to be served:

Reifenhäuser GmbH & Co. Maschinenfabrik, Postfach 1664, D5210 Trosdorf, Federal Republic of Germany
Silver-Plastics GmbH & Co. KG, Postfach 1763—Mendener Str. 21, 5210 Troisdorf, Federal Republic of Germany
Wayn-Tex Inc., 901-T South Delphine Avenue, Waynesboro, Virginia 22980

(c) James M. Gould, Esq., Office of Unfair Import Investigations, U.S. International Trade Commission, 500 E Street, SW., Room 401-L, Washington, DC 20436, who shall be the Commission investigative attorney, party to this investigation; and

(3) For the investigation so instituted, Janet D. Saxon, Chief Administrative Law Judge, U.S. International Trade Commission, shall designate the presiding Administrative Law Judge.

Responses to the complaint and the notice of investigation must be submitted by the named respondents in accordance with section 210.21 of the Commission's Interim Rules of Practice and Procedure, 19 CFR 210.21. Pursuant to §§ 201.16(d) and 210.21(a) of the Commission's Rules, 19 CFR 201.16(d) and 210.21(a), such responses will be considered by the Commission if received not later than 20 days after the date of service of the complaint. Extensions of time for submitting responses to the complaint will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to such respondent, to find the facts to be as alleged in the complaint and this notice and to enter both an initial determination and a final determination containing such findings, and may result in the issuance of a limited exclusion order or a cease and desist order or both directed against such respondent.

Issued: May 1, 1990.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 90-10796 Filed 5-8-90; 8:45 am]

BILLING CODE 7020-02-M

[Investigations Nos. 731-TA-448, 449, and 450 (Final)]

Sweaters Wholly or in Chief Weight of Manmade Fibers From Hong Kong, the Republic of Korea, and Taiwan

AGENCY: International Trade Commission.

ACTION: Institution of final antidumping investigations and scheduling of a hearing to be held in connection with the investigations.

SUMMARY: The Commission hereby gives notice of the institution of final antidumping investigations Nos. 731-TA-448, 449, and 450 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) (the act) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Hong Kong, the Republic of Korea ("Korea"), and Taiwan of sweaters, wholly or in chief weight of manmade fibers ("sweaters of manmade fibers") [1] provided for in

[1] For purposes of these investigations, "sweaters of manmade fibers" are defined as knitted or crocheted outerwear garments wholly or in chief weight of manmade fibers, in a variety of forms including jackets, vests, cardigans with button or zipper fronts, and pullovers, usually having ribbing around the neck, bottom, and/or cuffs on the sleeves (if any), encompassing garments of various

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subheadings 6103.23.00, 6103.29.10, 6103.29.20, 6104.23.00, 6104.29.10, 6104.29.20, 6110.30.10, 6110.30.20, and 6110.30.30 of the Harmonized Tariff Schedule of the United States (previously under items 381.24, 381.25, 381.35, 381.66, 381.85, 381.89, 381.90, 381.99, 384.18, 384.27, 384.77, 384.80, and 384.96 of the former Tariff Schedules of the United States), that have been found by the Department of Commerce, in preliminary determinations, to be sold in the United States at less than fair value (LTFV). Unless the investigations are extended, Commerce will make its final LTFV determinations on or before July 5, 1990, and the Commission will make its final injury determinations by August 24, 1990 (see sections 735(a) and 735(b) of the act (19 U.S.C. 1673d(a) and 1673d(b))).

For further information concerning the conduct of these investigations, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and C (19 CFR part 207), and part 201, subparts A through E (19 CFR part 201).

EFFECTIVE DATE: April 27, 1990.

FOR FURTHER INFORMATION CONTACT: Jonathan Seiger (202-252-1177), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-252-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-252-1000.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted as a result of affirmative preliminary determinations by the Department of Commerce that imports of sweaters of manmade fibers from Hong Kong, Korea, and Taiwan are being sold in the United States at less than fair value within the meaning of section 733 of the act (19 U.S.C. 1673b). The investigations were requested in a petition filed on September 22, 1989, by counsel on behalf of the National Knitwear and Sportswear Association, New York, NY. In response to that petition the Commission conducted preliminary antidumping investigations and, on the basis of information developed during the course of those investigations, determined that there was a reasonable indication that an industry in the United States was materially injured by reason of imports of the subject merchandise (54 FR 47585, November 15, 1989).

Participation in the Investigations

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than twenty-one (21) days after the publication of this notice in the **Federal Register**. Any entry of appearance filed after this date will be referred to the Chairman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Public Service List

Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and 207.3 of the rules (19 CFR 201.16(c) and 207.3), each public document filed by a party to the investigations must be served on all other parties to the investigations (as identified by the public service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Limited Disclosure of Business Proprietary Information Under a Protective Order and Business Proprietary Information Service List

Pursuant to § 207.7(a) of the Commission's rules (19 CFR 207.7(a)), the Secretary will make available business proprietary information gathered in these final investigations to authorized applicants under a protective order, provided that the application be made not later than twenty-one (21) days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive business proprietary information under a protective order. The Secretary will not accept any submission by parties containing business proprietary information without a certificate of service indicating that it has been served on all the parties that are authorized to receive such information under a protective order.

Staff Report

The prehearing staff report in these investigations will be placed in the nonpublic record on July 6, 1990, and a public version will be issued thereafter, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

Hearing

The Commission will hold a hearing in connection with these investigations beginning at 9:30 a.m. on July 24, 1990, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Requests to appear at the hearing should be filed in writing with the Secretary of the Commission not later than the close of business (5:15 p.m.) on July 16, 1990. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on July 17, 1990 at the U.S. International Trade Commission Building. Pursuant to § 207.22 of the Commission's rules (19 CFR 207.22) each party is encouraged to submit a prehearing brief to the Commission. The deadline for filing prehearing briefs is July 18, 1990. If prehearing briefs contain business proprietary information, a nonbusiness propriety version is due on July 19, 1990.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23). This rule requires that testimony be limited to a nonbusiness proprietary summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. Any written materials submitted at the hearing must be filed in accordance with the procedures described below and any business proprietary materials must be submitted at least three (3) working days prior to the hearing (see § 201.6(b)(2) of the Commission's rules (19 CFR 201.6(b)(2))).

Written Submissions

Prehearing briefs submitted by parties must conform with the provisions of § 207.22 of the Commission's rules (19 CFR 207.22) and should include all legal

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lengths. The phrase "in chief weight of manmade fibers" includes sweaters where the manmade fibers predominate by weight over each other single textile material. Sweaters of manmade fibers, as defined here, do not include sweaters 23 percent or more by weight of wool or sweaters for infants 24 months of age or younger. Sweaters of manmade fibers include all such sweaters regardless of the number of stitches per centimeter, but with regard to sweaters having more than nine stitches per two linear centimeters horizontally, only those with a knit-on rib at the bottom are included.

arguments, economic analyses, and factual materials relevant to the public hearing. Posthearing briefs submitted by parties must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on July 30, 1990. If posthearing briefs contain business proprietary information, a nonbusiness proprietary version is due July 31, 1990. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject to the investigations on or before July 30, 1990.

A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the Commission's rules (19 CFR 201.8). All written submissions except for business proprietary data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any information for which business proprietary treatment is desired must be submitted separately. The envelope and all pages of which submissions must be clearly labeled "Business Proprietary Information." Business proprietary submissions and requests for business proprietary treatment must conform with the requirements of §§ 201.6 and 207.7 of the Commission's rules (19 CFR 201.6 and 207.7).

Parties which obtain disclosure of business proprietary information pursuant to § 207.7(a) of the Commission's rules (19 CFR 207.7(a)) may comment on such information in their prehearing and posthearing briefs, and may also file additional written comments on such information no later than August 2, 1990. Such additional comments must be limited to comments on business proprietary information received in or after the posthearing briefs. A nonbusiness proprietary version of such additional comments is due August 3, 1990.

Authority

These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20).

Issued: May 4, 1990.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 90-10795 Filed 5-8-90; 8:45 am]

BILLING CODE 7020-02-M

Privacy Act of 1974; Establishment of a System of Records

AGENCY: International Trade Commission.

ACTION: Notification of establishment of a system of records for the investigative files of the Office of Inspector General.

SUMMARY: In accordance with the Privacy Act of 1974, 5 U.S.C. 552a ("Privacy Act"), the U.S. International Trade Commission ("Commission") is giving notice of the establishment of a new system of records, entitled Office of Inspector General Investigative Files. The Office of Inspector General was established on February 2, 1989, and has statutory authority to conduct investigations relating to Commission programs and operations.

DATES: Comments on the establishment of this system must be submitted by July 8, 1990.

ADDRESSES: All comments concerning the proposed system of records should be submitted to Kenneth R. Mason, Secretary, U.S. International Trade Commission, 500 E Street SW., Room 112, Washington, DC 20436.

FOR FURTHER INFORMATION CONTACT: Jane E. Altenhofen, Inspector General, 202-252-2210. Hearing impaired individuals may obtain further information on this matter by contacting the Commission's TDD terminal at 202-252-1810.

SUPPLEMENTARY INFORMATION: In accordance with the Inspector General Act Amendments of 1988 (Public 100-504), which amended Public Law 95-452 and is codified at 5 U.S.C. App. 3), the Commission established an Office of Inspector General. The functions of the Office of Inspector General, an independent unit within the Commission, include the detection and prevention of fraud, waste and abuse and the promotion of economy and efficiency in Commission programs and operations. The Office may particpate in the prosecution of those engaging in fraudulent or abusive activities. The Office also reports suspected violations of criminal law to the Attorney General and informs Congress and the Chairman of the Commission about deficiencies and vulnerabilities in the commission's programs and operations.

The Commission proposes to establish a new system of records, pursuant to the Privacy Act, entitled Office of Inspector General Investigative Files. This system of records will be maintained solely by the Office of Inspector General and will remain separate from other Commission records. The system will consist of files and records compiled by the Commission's Office of Inspector General on Commission employees or other persons who have been part of an investigation for fraud and abuse with respect to the Commission's programs or operations. The proposed system of records will enable the Office of Inspector General to carry out its statutory mandate.

The Chairman proposes to exempt certain files within this system of records from disclosure to individuals who are the subject of a record in the system. The exemptions would cover files compiled for the following purposes: (i) identifying criminal offenders and alleged offenders and consisting of identifying data and notations of sentencing, confinement, identifying data and notations of sentencing, confinement, release, and parole and probation status; (ii) a criminal investigation, including reports of informants and investigators, that is associated with an identifiable individual; (iii) reports of enforcement of the criminal laws from arrest or indictment through release from supervision; and (iv) investigatory material compiled for law enforcement purposes. Those exemptions are the subject of a companion notice of proposed rulemaking that appears elsewhere in today's issue of the **Federal Register**. A report of the proposal to establish this system of records was filed pursuant to 5 U.S.C. 55a(r) with the Congress and the Office of Management and Budget.

Accordingly, the Commission proposes to establish the following system of records for its Office of Inspector General:

SYSTEM NAME:

Office of Inspector General Investigative Files

SYSTEM LOCATION:

Office of Inspector General, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

This system of records contains records on individuals who are or have been subjects of the Office of Inspector General's investigations relating to the programs and operations of the Commission.

CATEGORIES OF RECORDS IN THE SYSTEM:

The system will contain documentation of any and all complaints or allegations initiating investigations; all relevant correspondence, witness statements; affidavits; copies of all subpoenas

issued; transcripts of any testimony taken in the investigation and accompanying exhibits; documents and other records or copies obtained during the investigation; internal staff memoranda, staff working papers and other documents and records relating to the investigation; all reports on the investigation.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM.

Public Law 95–452, as amended by Public Law 100–504 (5 U.S.C. App. 3)

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Information in the system may be disclosed:

(1) Where there is an indication of a violation or a potential violation of law, whether civil, criminal or regulatory in nature, whether arising by general statute or particular program statute, or by regulation, rule or order issued pursuant thereto, the relevant records in the system of records may be referred to the appropriate agency, whether federal, foreign, state, or local.

(2) To federal, foreign, state, or local authorities in order to obtain information or records relevant to an Office of Inspector General investigation.

(3) To federal, foreign, state or local governmental authorities maintaining civil, criminal or other relevant enforcement information or other pertinent information, such as current licenses, if necessary to obtain information relevant to an agency decision concerning the hiring or retention of an employee, the issuance of a security clearance, the granting of a contract, or the issuance of a license, grant or other benefit.

(4) To federal, foreign, state, or local governmental authorities in response to their request in connection with the hiring or retention of an employee, disciplinary or other administrative action concerning an employee, the issuance of a security clearance, the reporting of an investigation of an employee, the granting of a contract, or the issuance of a license, grant or other benefit by the requesting agency, to the extent that the information is relevant and necessary to the requesting agency's decision in the matter.

(5) To non-governmental parties where those parties may have information the Office of Inspector General seeks to obtain in connection with an investigation.

(6) To independent auditors, investigators, or other private firms with which the Office of Inspector General has contracted to carry out an independent audit or investigaton, or to collate, aggregate or otherwise refine data collected in the system of records. These contactors will be required to maintain Privacy Act safeguards with respect to such records.

(7) To respond to subpoenas in any litigation or other proceeding.

(8) To the Department of Justice and/or the Office of General Consel of the Commission when the defendant in litigation is: (a) Any component of the Commission or any employee of the Commission in his or her official capacity; (b) the United States where the Commission determines that the claim, if successful, is likely to directly affect the operations of the Commission; or (c) any Commission employee in his or her individual capacity where the Department of Justice and/or the Office of General Counsel of the Commission agree to represent such employee.

(9) To a Congressional office from the district of an individual in response to an inquiry from the Congressional office made at the request of that individual.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM: STORAGE:

The Office of Inspector General Investigative Files consist of paper records maintained in binders or folders. The binders and folders are stored in the Office of Inspector General's file cabinets.

RETRIEVABILITY:

The records are retrieved by the case title, the name of the subject of the investigation, or a unique control number assigned to each investigation.

SAFEGUARDS:

These records are available only to those persons whose official duties require such access. The records are kept in limited access areas during duty hours and in secure file cabinets in locked offices at all other times.

RETENTION AND DISPOSAL:

The records in this system will be retained indefinitely.

SYSTEM MANAGER(S) AND ADDRESS

Inspector General, Office of Inspector General, U.S. International Trade Commission, 500 E Street, SW., Room 220, Washington, DC 20436.

NOTIFICATION PROCEDURE:

Requests to determine whether this system of records contains a record pertaining to the requesting individual may be made by mail addressed to the Privacy Act Officer, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Individuals should clearly indicate both on the envelope and in the letter that it is a Privacy Act request.

RECORD ASSESS PROCEDURES:

See Notification Procedures above.

RECORD SOURCE CATEGORIES:

These files will contain information supplied by the following: Individuals, including those to whom the information relates where practicable; witnesses, corporations, and other entities; records of individuals and of the Commission; records of other entities; federal, foreign, state or local bodies and law enforcement agencies; documents; correspondence; transcripts of testimony; and other miscellaneous sources.

CONTESTING RECORD PROCEDURES:

Individuals desiring to contest or amend information maintained in this system of records should direct their requests to the Privacy Act Officer at the address above.

SYSTEM EXEMPTIONS FROM CERTAIN PROVISIONS OF THE PRIVACY ACT:

Pursuant to 5 U.S.C. 552a(j)(2), this system of records, to the extent it contains information pertaining to the enforcement of criminal laws, is exempted from all provisions of the Privacy Act except subsections (b), (c) (1) and (2), (e)(4) (A) through (F), (e)(6), (7), (9), (10), and (11), and (i).

Pursuant to 5 U.S.C. 552a(k)(2), this system of records, to the extent that it contains investigatory materials compiled for law enforcement purposes, is exempt from subsections (c)(3), (d), (e)(1), (e)(4) (G) through (I), and (f) of the Privacy Act. These exemptions are contained in 19 CFR 201.32.

Dated: April 30, 1990.

By the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 90–10798 Filed 5–8–90; 8:45 am]

BILLING CODE 7020-02-M

INTERSTATE COMMERCE COMMISSION

Motor Passenger Carrier or Water Carrier Finance Applications Under 49 U.S.C. 11343–11344

The following applications seek approval to consolidate, purchase, merge, lease operating rights and properties of, or acquire control of motor passenger carriers or water carriers

pursuant to 49 U.S.C. 11343–11344. The applications are governed by 49 CFR part 1182, as revised in *Pur., Merger & Cont.-Motor Passenger & Water Carriers*, 5 I.C.C. 2d 786 (1989). The findings for these applications are set forth at 49 CFR 1182.18. Persons wishing to oppose an application must follow the rules under 49 CFR Part 1182, subpart B. If no one timely opposes the application, this publication automatically will become the final action of the Commission.

No. MC–F–19626, filed April 20, 1990. Frank M. Henry—Continuance in Control—National Coach Works of Virginia and First Class Coach Company, Inc.; National Coach Works of Virginia—Purchase—National Coach Works. Applicants' representative: William F. King, 4660 Kenmore Avenue, Suite 1018, Alexandria, VA 22304. National Coach Works, Inc., of Virginia (NCWVA) seeks authority to acquire all of the interstate operating authority of its parent company, National Coach Works, Inc. (NCW). Under No. MC–179067, NCW holds interstate irregular-route authority to transport passengers in charter and special operations, between points in the United States (except Hawaii) and interstate regular-route authority to transport passengers, between Washington, DC, and Frederickburg, VA. Frank M. Henry, a noncarrier individual in control of NCW as previously approved by the Commission, is in control of NCWVA through NCW and seeks authorization for the continuation of control of NCWVA and First Class Coach Company, Inc. (First Class). Under No. MC–194130. First Class holds interstate irregular-route authority to transport passengers in charter and special operations, between points in the United States (except Alaska and Hawaii). As previously approved by the Commission, Mr. Henry also controls the following interstate motor passenger carriers: (1) Frank Martz Coach Company (Martz) (MC–3600), of Wilkes-Barre, PA; (2) (through Martz) Gold Line, Inc. (MC–108452), of Tuxedo, MD, formerly named Atwood's Transport Lines, Inc.; (3) and (through White Transit Company, a Pennsylvania intrastate carrier) Price Bus Company, Inc. (MC–17751), of Scranton, PA, and Gulf Coast Motor Lines, Inc. (MC–85819), of St. Petersburg, FL. The business address of NCW and NCWVA is 10411 Hall Industrial Drive, Fredericksburg, VA 22401; the business address of First Class is 2922 46th Avenue, North, St. Petersburg, FL 33714.

Decided: May 2, 1990.

By the Commission, the Motor Carrier Board.

Noreta R. McGee,

Secretary.

[FR Doc. 90–10804 Filed 5–8–90; 8:45 am]

BILLING CODE 7035–01–M

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Manufacturer of Controlled Substances; Registration

By Notice dated November 14, 1989, and published in the **Federal Register** on November 29, 1989 (54 FR 49124), Abbott Laboratories, 14th Street and Sheridan Road, Attn: Customer Service D–345, North Chicago, Illinois 60064, made application to the Drug Enforcement Administration to be registered as a bulk manufacturer of the basic classes of controlled substances listed below:

Drug	Schedule
Amphetamine, its salts, optical isomers, and salts of its optical somers (1100).	II
Bulk dextropropoxyphene (non-dosage forms) (9273).	II
Fentanyl (9801)	II
Hydromorphone (9150)	II

No comments or objections have been received. Therefore, pursuant to section 303 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 and title 21, Code of Federal Regulation, § 1301.54(e), the Deputy Assistant Administrator hereby orders that the application submitted by the above firm for registration as a bulk manufacturer of the basic classes of controlled substances listed above is granted.

Dated: April 24, 1990.

Gene R. Haislip,

Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration.

[FR Doc. 90–10716 Filed 5–8–90; 8:45 am]

BILLING CODE 4410–09–M

Manufacturer of Controlled Substances; Registration

By Notice dated July 2, 1989, and published in the **Federal Register** on August 2, 1989 (54 FR 31899), Abbott Laboratories, Attn; D–297, Abbott Park, North Chicago, IL 60064, made application to the Drug Enforcement Administration to be registered as a bulk manufacturer of benzoylecgonine (9187), a basic class of controlled substance listed in Schedule II.

No comments or objections have been received. Therefore, pursuant to section 303 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 and title 21, Code of Federal Regulations, § 1301.54(e), the Deputy Assistant Administrator hereby orders that the application submitted by the above firm for registration as a bulk manufacturer of the basic class of controlled substance listed above is granted.

Dated: April 24, 1990.

Gene R. Haislip,

Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration.

[FR Doc. 90–10717 Filed 5–8–90; 8:45 am]

BILLING CODE 4410–09–M

Manufacturer of Controlled Substances; Registration

By Notice dated March 30, 1988, and published in the **Federal Register** on April 12, 1989 (54 FR 14692), Syncates Associates, Inc., 10863 Rocky Road, Houston, TX 77099, made application to the Drug Enforcement Administration to be registered as a bulk manufacturer of Pentobarbital (2270), a basic class of controlled substance listed in Schedule II.

No comments or objections have been received. Therefore, pursuant to section 303 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 and title 21, Code of Federal Regulations, § 1301.54(e), the Deputy Assistant Administrator hereby orders that the application submitted by the above firm for registration as a bulk manufacturer of the basic class of controlled substance listed above is granted.

Dated: April 24, 1990.

Gene R. Haislip,

Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration.

[FR Doc. 90–10718 Filed 5–8–90; 8:45 am]

BILLING CODE 4410–09–M

NATIONAL SCIENCE FOUNDATION

Materials Submitted for OMB Review

In accordance with the Paperwork Reduction Act and OMB Guidelines, the National Science Foundation is posting this notice of information collection that will affect the public.

Agency Clearance Officer: Herman G. Fleming, (202) 357–7335, written comments to: Division of Personnel and Management, National Science Foundation, 1800 G Street NW., Washington, DC 20550.

OMB Desk Officer: Written comments to: Office of Information and

Regulatory Affairs, ATTN: Joe Lackey, Desk Officer, OMB, 722 Jackson Place, Room 3208, NEOB, Washington, DC 20503.

Title: Greenland Medical Package.

Affected Public: Individuals.

Responses/Burden Hours: 50 respondents; one hour each response.

Abstract: This information will be used by the NSF contractor, the Polar Ice Coring Office (PICO), and the NSF physician to determine if individuals working on NSF programs in Greenland are physically qualified. It also provides next of kin information and allows the release of medical records to the NSF physician.

Dated: May 3, 1990.

Herman G. Fleming,

National Science Foundation Clearance Officer.

[FR Doc. 90-10754 Filed 5-8-90; 8:45 am]

BILLING CODE 7555-01

Materials Submitted for OMB Review

In accordance with the Paperwork Reduction Act and OMB Guidelines, the National Science Foundation is posting this notice of information collection that will affect the public.

Agency Clearance Officer: Herman G. Fleming, (202) 357-7335, Written comments to: Division of Personnel and Management, National Science Foundation, 1800 G St. NW., Washington, DC 20550.

OMB Desk Officer: Written comments to: Office of Information and Regulatory Affairs, ATTN: Joe Lackey, Desk Officer, OMB 722 Jackson Place, Room 3208, NEOB, Washington, DC 20503.

Title: Industrial Panel on Science and Technology.

Affected Public: Businesses or other for-profit.

Responses/Burden Hours: 250 respondents; 2 hours each response.

Abstract: Information, especially of a qualitative nature, is needed to supplement and explain the data on science and technology employment and funding which are obtained from other NSF sources. Special requests by OMB, OSTP and Congress can be answered by quickly contacting company personnel and research and development officials.

Dated: May 3, 1990.

Herman G. Fleming,

National Science Foundation Clearance Officer.

[FR Doc. 90-10755 Filed 5-8-90; 8:45 am]

BILLING CODE 7555-01-M

Materials Submitted for OMB Review

In accordance with the Paperwork Reduction Act and OMB Guidelines, the National Science Foundation is reposting this notice of information collection that will affect the public.

Agency Clearance Officer: Herman G. Fleming, (202) 357-7335, Written comments to: Division of Personnel and Management, National Science Foundation, 1800 G St. NW., Washington, DC 20550.

OMB Desk Officer: Written comments to: Office of Information and Regulatory Affairs, ATTN: Joe Lackey, Desk Officer, OMB, 722 Jackson Place, Room 3208, NEOB, Washington, DC 20503.

Title: Survey of NSF Reviewers.

Affected Public: Individuals.

Responses/Burden Hours: 8,484 respondents; 22 minutes per response.

Abstract: NSF's proposal review system requires the use of qualified members of the research and education communities to judge the quality of researchers' proposals and ideas. This survey will generate a description of the characteristics of the reviewer community and obtain reliable data on controversial matters, such as: personal biases of reviewers, difficulty of reviewing "risky proposals", and treatment of interdisciplinary research areas.

Dated: May 3, 1990.

Herman G. Fleming,

National Science Foundation Clearance Officer.

[FR Doc. 90-10756 Filed 5-8-90; 8:45 am]

BILLING CODE 7555-01-M

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-346]

Toledo Edison Co. & Cleveland Electric Illuminating Co.; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. NPF-3, issued to Toledo Edison Company and Cleveland Electric Illuminating Company (the licensees), for operation of the Davis-Besse Nuclear Power Station located in Ottawa County, Ohio.

Environmental Assessment

Identification of Proposed Action

The proposed amendment would revise the provisions in the Technical Specifications (TS) to increase the allowable response time for the High Flux/Number of Reactor Coolant Pumps On (power/pumps) trip function of the Reactor Protection System from .451 milliseconds to .631 milliseconds. In addition, an editorial change is proposed.

The proposed action is in accordance with the licensee's application for amendment dated February 21, 1989, as supplemented by letters dated July 19 and September 1, 1989.

The Need for the Proposed Action

The proposed change to the TS is required in order to provide the licensees with additional margin to a limit which is now very close to the capabilities of the equipment and, if exceeded, could force a plant shutdown to repair.

Environmental Impacts of the Proposed Action

The Commission has completed its evaluation of the proposed revision to the TS and concludes that the analyses of the accidents will produce no significant changes to those previously analyzed and will have no effect on radiological effluents released from the site. Accordingly, the Commission concludes that this proposed action would result in no significant radiological environmental impact.

The Notice of Consideration of Issuance of Amendment and Opportunity for Hearing in connection with this action was published in the **Federal Register** on October 26, 1989 (54 FR 43636). No request for hearing or petition for leave to intervene was filed following this notice.

With regard to potential nonradiological impacts, the proposed change to the TS involves a change to a limit that does not affect nonradiological plant effluents and has no other environmental impact. Therefore, the Commission concludes that there are no significant nonradiological environmental impacts associated with the proposed amendment.

Alternative to the Proposed Action

Since the Commission concluded that there are no significant environmental effects that would result from the proposed action, any alternatives with equal or greater environmental impacts need not be evaluated.

The principal alternative would be to deny the requested amendment. This would not reduce environmental impacts of plant operation and would result in reduced operational flexibility.

Alternative Use of Resources

This action does not involve the use of any resources not previously considered in the Final Environmental Statements for the Davis-Besse Nuclear Power Station, dated March 1973 and a Supplement dated October 1975.

Agencies and Persons Consulted

The NRC staff reviewed the licensee's request and did not consult other agencies or persons.

Finding of No Significant Impact

The Commission has determined not to prepare an environmental impact statement for the proposed license amendment.

Based upon the foregoing environmental assessment, we conclude that the proposed action will not have a significant effect on the quality of the human environment.

For further details with respect to this action, see the application for amendment dated February 21, 1989 as supplemented July 19 and September 1, 1989 which are available for public inspection at the Commission's Public Document Room, 2120 L Street NW., Washington, DC and at the University of Toledo Library, Documents Department, 2801 Bancroft Avenue, Toledo, Ohio 43606.

Dated at Rockville, Maryland, this 1st day of May 1990.

For the Nuclear Regulatory Commission.

John N. Hannon,

Director, Project Directorate III-3, Division of Reactor Projects-III, IV, V and Special Projects, Office of Nuclear Reactor Regulation.

[FR Doc. 90-10788 Filed 5-8-90; 8:45 am]

BILLING CODE 7590-01-M

[Docket No. 50-483]

Union Electric Co.; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. NPF-30, issued to Union Electric Company (the licensee), for operation of the Callaway Plant, located in Callaway County, Missouri.

Environmental Assessment

Identification of Proposed Action

The proposed amendment would allow the licensee to store spend fuel with a maximum enrichment up to 4.45 w/o U-235 in the Region 1 area of the spent fuel pool.

The proposed action is in accordance with the licensee's application for amendment dated December 28, 1989 as supplemented by a letter dated March 6, 1990.

The Need for the Proposed Action

The licensee intends to increase the fuel enrichment for the Callaway Plant to a nominal value of 4.40 w/o U-235. New fuel will be stored in Region 1 of the Callaway spent fuel pool while awaiting reload for cycle 5 operation. At present, fuel of maximum enrichment up to 4.25 w/o can be stored in the Region 1 area of the spent fuel pool.

Environmental Impacts of the Proposed Action

The Commission has completed its evaluation of the proposed revision to the TSs. The proposed amendment would allow storage of enriched fuel of 4.45 w/o U-235 in the Region 1 area of the Callaway spent fuel pool where at present fuel of 4.25 w/o maximum enrichment is allowed to be stored. The use of fuel with a maximum enrichment of 4.45 w/o U-235 would not significantly increase the probability or consequences of any accidents previously analyzed. No significant changes in the types or amounts of radiological effluents during normal operation or postulated accidents that may be released offsite are incurred by the increased w/o fuel enrichment. As a result, no significant increase in the individual or cumulative occupational radiation exposure is noted.

Therefore, since the proposed changes do not increase the probability or consequences of accidents, no changes are being made in the types or amounts of any radiological effluents that may be released offsite, and there is no significant increase in the allowable individual or cumulative occupational radiation exposure, the Commission concludes that this proposed action would result in no significant radiological environmental impact.

With regard to potential nonradiological impacts, the proposed change to the TS involves systems located within the restricted area as defined by 10 CFR part 20. The proposed change will not result in a measurable change to the nonradiological plant effluents and therefore will not have any environmental impact. Therefore, the Commission concludes that there are no significant nonradiological environment impacts associated with the proposed amendment.

The Notice of Consideration of Issuance of Amendment and Opportunity for Hearing in connection with this action was published in the **Federal Register** on February 27, 1990 (55 FR 6850). No request for hearing or petition for leave to intervene was filed following this notice.

Alternative to the Proposed Action

Since the Commission concluded that there are no significant environmental effects that would result from the proposed action, any alternatives with equal or great environmental impacts need not be evaluated. The prinicipal alternative would be to deny the requested amendment. This would not reduce environmental impacts of plant operation and would result in reduced operational flexibility.

Alternative Use of Resources

This action does not involve the use of any resources not previously considered in the Final Environmental Statement for the Callaway Plant dated January 1982.

Agencies and Persons Consulted

The NRC staff reviewed the licensee's request and did not consult other agencies or persons.

Finding of No Significant Impact

The Commission has determined not to prepare an environmental impact statement for the proposed license amendment.

Based upon the foregoing environmental assessment, we conclude that the proposed action will not have a significant effect on the quality of the human environment.

For further details with respect to this action, see the application for amendment dated December 28, 1989 and supplement dated March 6, 1990 which are available for public inspection at the Commission's Public Document Room, 2120 L Street, NW., Washington, DC and at the Callaway County Public Library, 710 Court Street, Fulton, Missouri 65251, and the John M. Olin Library, Washington University, Skinker and Lindell Boulevards, St. Louis, Missouri 63130.

Dated at Rockville, Maryland, this 2nd of May 1990.

For the Nuclear Regulatory Commission.

John N. Hannon,

Director, Project Directorate III-3, Division of Reactor Projects—III, IV, V and Special Projects, Office of Nuclear Reactor Regulation.

[FR Doc. 89-10789 Filed 5-8-89; 8:45 am]

BILLING CODE 7595-01-M

St. Mary Medical Center—Hobart and Gary; Order Suspending Brachytherapy Activities and Modifying Licenses (Effective Immediately)

In the matter of St. Mary Medical Center—Hobart, 1500 South Lake Park Avenue, Hobart, Indiana 46342, Docket No. 030–31379, License No. 13–03459–03, EA No. 90–071; and St. Mary Medical Center—Gary, 540 Tyler Street, Gary, Indiana 46402; Docket No. 030–01615, License No. 13–03459–02, EA No. 90–071.

I

St. Mary Medical Center, Hobart, Indiana, was the holder of Materials License No. 13–15598–01 which was issued by the Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR parts 30 and 35 on April 23, 1973 and continued through April 26, 1988, at which time License No. 13–15598–01 was terminated. At that time, the activities authorized under License No. 13–15598–01 were merged with the activities authorized by Materials License No. 13–03459–02, which was issued to St. Mary Medical Center, Gary, Indiana, on July 9, 1963. License No. 13–03459–02 for St. Mary Medical Center, Gary, Indiana, was renewed in its entirety on February 5, 1990, at which time the activities at St. Mary Medical Center, Hobart, Indiana, were separated from those of St. Mary Medical Center, Gary, Indiana, and a separate license, License No. 13–03459–03, was issued to St. Mary Medical Center, Hobart, Indiana on February 1, 1990. These licenses each authorize, among other activities, a brachytherapy program.

Since May 1986, St. Mary Medical Center—Gary and St. Mary Medical Center—Hobart (licensees) have authorized to use sealed brachytherapy sources pursuant to 10 CFR 35.400 for topical, interstitial, and intercavitary treatment of cancer. The two hospitals operate under a single administrative medical firm, Lakeshore Medical Systems. There is a common Radiation Safety Officer and the Radiation Safety Committee acts as a single body. The current program at both hospitals lists the same two authorized users of byproduct material under 10 CFR 35.400.

III

On March 28, 1990, the NRC received allegations regarding the brachytherapy progam at St. Mary Medical Centers of Gary and Hobart, Indiana. Several allegations pertained to the failure to evaluate treatment plans prior to initiating brachtherapy treatment and the failure to document prescribed doses prior to patient treatment.

An NRC inspection into the allegations began on March 30, 1990. Two patient files were randomly, selected for review. In the first file, a prescribed dose was not documented. The second file likewise did not contain a documented prescription and the treatment plan was not reviewed by the authorized user until after the sources were implanted in the patient. During the review of the record for Case No. 2, the NRC inspectors noted that four hours after the initial implant the original sources were removed and were replaced with other sources of different activity and configuration. A notation was not made in the patient's file to indicate the reason(s) for the change or to indicate the new prescription.

Based upon these findings, Region III issued a Confirmatory Action Letter (CAL) on April 2, 1990, confirming the licensees' commitment that prior to the treatment of patients: (1) the authorized user will prescribe and make a written record of the prescribed therapeutic dose and (2) brachytherapy treatment plans will be reviewed by the authorized user.

On April 4, 1990, NRC inspectors reviewed an additional 15 brachytherapy patient files for treatments performed prior to issuance of the CAL. Of the 15 cases reviewed, the prescribed dose was not documented in 10 cases and treatment planning records appeared incomplete in 14 cases. The treatment planning was incomplete in that: (1) Dose rates were not documented; (2) treatment time was not specified; (3) treatment plans were not developed or reviewed prior to implanting sources; and/or (4) treatment was altered after initial implant without documented revisions of prescriptions or plans. These documentation deficiencies made it impossible to verify if NRC licensed materials were administered as prescribed. These treatments were performed by the licensees' authorized users. Two of these cases appeared to have resulted in therapeutic misadministrations, as defined in 10 CFR 35.33, involving overexposures in excess of 10 percent of the prescribed dose, and were not reported to the NRC as required by that regulation.

On several occasions during the period of April 5–19, 1990, the licensees' authorized users were interviewed by NRC inspectors and these individuals confirmed that prescribed doses were not always specified or documented prior to treatment and in most cases treatment plans were prepared after brachytherapy sources were implanted in patients. On April 23, 1990, during an Enforcement Conference held in the Region III office with the licensees' authorized users and representatives of the licensees, the authorized users indicated that they were not familiar with the (Commission) requirements in 10 CFR Part 35, related to reporting of misadministrations prior to March 1990.

On April 11, 1990, an NRC medical consultant reviewed 11 selected cases at the St. Mary Medical Center—Hobart facility. Based on his review of records available at the licensees' facilities and interviews with the medical physicist, the NRC medical consultant confirmed the NRC staff's preliminary findings that two cases involved apparent misadministrations in which the final dose delivered to the patient exceeded the prescribed dose by more than 10 percent. The NRC's consultant found an additional apparent misadministration in which the final dose delivered to the patient was more than 10 percent below the prescribed dose. In the remainder of the cases, the NRC medical consultant concluded that the brachytherapy patient records were incomplete and the treatment could not be evaluated. He also concluded that reasons for treatment alterations were not given and that the medical physicist could not accurately determine the distribution of dose in three cases. Based upon the NRC staff's review of the medical consultant's report, the staff agrees with his conclusions.

The following three brachytherapy administrations are of concern. In the first case, a final dose greater than 26 percent below the prescribed dose was delivered (1840 rads delivered vs. 2,500 to 3,000 rads prescribed) on December 5, 1988. The second administration of interest occurred when the final dose exceeded the prescribed dose by 11 percent (3,940 rads delivered vs. 3,500 rads prescribed) on December 11, 1989. The third administration of interest occurred on August 2, 1989, when the final dose exceeded the prescribed dose by 24 percent.

The position of the authorized users during the April 23, 1990, Enforcement Conference was that misadministrations did not occur for various reasons, including that they made medical judgments to change prescriptions in the medical interest of their patients.

At the request of the NRC, licensee personnel reviewed all patient files (approximately 69) and determined that prescribed doses were not documented in 57 brachytherapy administrations. On April 18, 1990, the licensees notified the NRC by telephone of their tentative conclusion that four misadministrations may have occurred and four additional

cases were being evaluated as possible misadministrations. The licensees' views were based on the records reviewed at their facilities. Their review is continuing and a final written report is to be submitted to the NRC by May 3, 1990.

Whether or not there were, in fact, misadministrations, the documents available at the licensees' facilities clearly raised questions as to whether misadministrations occurred, justifying further review to determine, among other matters, whether reports to the NRC were required. The failure of licensees management to take timely action to properly control the activities of their authorized users and to evaluate potential misadministrations is a significant regulatory concern. As early as May 1988, the medical physicist alerted senior licensee management of the failure to maintain adequate records of presecriptions and treatment plans for brachytherapy. The first administration at issue occurred after the licensees' Radiation Committee was aware of significant deficiencies in the brachytherapy administration program. This problem was discussed and documented at the November 30, 1988 Radiation Safety Committee meeting. The second and third administrations at issue occurred after the licensees' Radiation Safety Committee, on July 31, 1989, approved and required the licensees' authorized users to follow the new Brachytherapy Manual which outlined the quality control/quality assurance program adopted by the Committee. The manual was intended, among other things, to provide appropriate controls to prevent misadministrations, and required the authorized user to complete prescribed dose records and review treatment plans for patients prior to treatment. One of the authorized users attended the Committee meetings where the manual was discussed and approved and was involved in review and revision of the procedures, and, thus, should have had detailed knowledge of the procedures. The NRC interviews of hospital management and Radiation Safety Committee members confirmed that this individual agreed to follow these procedures, subject only to minor forms modifications to be worked out between this individual and the medical physicist. Senior hospital management also confirmed they were aware of this individual's failure to follow the manual subsequent to its adoption.

Throughout this time period, the licensee did not implement effective oversight of the brachytherapy program to assure safe use of NRC licensed materials and compliance with 10 CFR 35.33. In addition, when records were available to indicate the occurrence of apparent misadministrations, the licensee failed to evaluate those occurrences (1) to determine whether misadministrations occurred, (2) to implement corrective actions, and (3) to determine whether there was a basis to notify the NRC in accordance with the NRC's misadministration reporting requirements.

Based on these findings, another CAL was issued by Region III on April 13, 1990. The CAL confirmed the licensees' agreement to: (1) immediately suspend all 10 CFR 35.400 use of sources for brachytherapy treatment of patients, and (2) place all brachytherapy sources in storage.

IV

The licensees' brachytherapy quality control procedures are fundamental to ensuring radiation safety. The authorized users failed to abide by these licensee procedures and the licensee permitted this failure to continue. Brachytherapy sources, if used carelessly without regard to their potential hazard, are capable of causing serious injury. The licensees' brachytherapy procedures are administrative controls intended to prevent or identify misadministrations. 10 CFR 35.21 requires that the licensee ensure that radiation safety activities are being performed in accordance with approved procedures. The failure to follow the procedures may have contributed to the misadministrations. The failure to identify the apparent brachytherapy misadministrations prevented a timely reivew of the cases, including root cause analysis, action to prevent recurrence, and prompt notification to the NRC if necessary. The authorized users were aware or should have been aware of the administrative controls to prevent misadministrations. The Radiation Safety Officer and Radiation Safety Committee failed to ensure that the Licensees' authorized users were properly trained. Licensees' management were aware that their procedures were not being implemented. The failure of the authorized users and licensee management to ensure the implementation of procedures is unacceptable.

Consequently, I lack the requisite reasonable assurance that the licensee will conduct and supervise brachytherapy activities under Licenses No. 13–03459–02 and 13–03459–03 in compliance with the Commission's requirements and that the health and safety of the public, including the licensee's employees and the brachytherapy patients treated at the licensee's facilities, will be protected. In addition, I consider it necessary for the licensee to have an independent review of its brachytherapy records performed to determine whether unreported misadministrations have occurred. Therefore, pending further assurances that activities will be properly conducted, the public health, safety, and interest require that License No. 13–03459–02 and License No. 13–03459–03 be modified to suspend brachytherapy activities. Furthermore, pursuant to 10 CFR 2.201(c) and 10 CFR 2.204, I find that the public health, safety and interest require that this Order be immediately effective, and, therefore, that prior notice may be omitted.

V

Accordingly, pursuant to sections 81, 161b, 161c, 161i, and 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.204 and 10 CFR parts 30 and 35, *it is hereby ordered*, effective immediately, that

A. Items No. 6.d, 7.d, 8.d, and 9.d of License No. 13–03459–02, which permit brachytherapy treatments at St. Mary Medical Center, Gary, Indiana, and Items No. 6.d, 7.d, and 8.d, 9.d of License No. 13–03459–03, which permit brachytherapy treatments at St. Mary Center, Hobart, Indiana, are suspended until the licensees obtain NRC approval of their Quality Assurance procedures for brachytherapy treatments and provide:

1. A certification by the licensee that:

a. administrative procedures to prevent, identify, evaluate and report misadministrations are in place;

b. the appropriate employees, agents and authorized users of the licensees who will need to implement these procedures have been appropriately trained in these procedures;

c. appropriate actions have been and will be taken to ensure that the procedures are implemented; and

d. the licensees will have access to all records and documentation associated with administrations after the date of this order of licensed material at their facilities.

2. Certification from the members of the licensees' Radiation Safety Committee, the Radiation Safety Officer, authorized users and medical technicians that:

a. they have reviewed and understand the administrative procedures described in item 1 of this section and the reporting requirements of 10 CFR part 35; and

b. they will implement these procedures and requirements.

These certifications shall be submitted in writing and under oath or affirmation to the Regional Administrator, Region III.

B. Within 30 days of the date of this Order, the licensees shall; (1) retain an independent qualified medical consultant or organization to assist with the audit of all appropriate records and patient medical files of the brachytherapy department since program inception; and (2) submit to the Regional Administrator, NRC Region III, for approval, a description of the qualifications of the organization or consultant retained, including the name(s) and resume(s) of the individuals who will perform the audits and the audit plans.

The audit group shall be instructed to determine if brachytherapy misadministrations occurred. Further, the audit group shall provide recommendations for improvements to the brachytherapy program which would prevent recurrence of such deficiencies. Should the audit group determine that brachytherapy misadministrations have occurred, for each brachytherapy misadministration the licensees shall make the notifications and report required pursuant to 10 CFR 35.33. The audit shall be completed and results reported to NRC Region III within 30 days of NRC approval of the individuals and audit plan.

The Regional Administrator, NRC Region III, may, in writing, relax or rescind any of the above conditions upon demonstration by the licensees of good cause.

VI

The licensees or any other person adversely affected by this Order may submit an answer to this Order within 20 days of the date of this Order. The answer may set forth the matters of law or fact upon which the licensees or other person(s) adversely affected relies and the reasons as to why the Order should not have been issued. An answer filed within 20 days of the date of this Order may also request a hearing. Any answer or request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, ATTN: Chief, Docketing and Service Section, Washington, DC 20555. Copies of the hearing request and answer shall be sent to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, to the Assistant General Counsel for Hearings and Enforcement at the same address, and to the Regional Administrator, Region III, 799 Roosevelt Road—Building 4, Glen Ellyn, Illinois 60137. If a person other than the licensees requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR 2.714(d). In the absence of any request for a hearing within the specified time, this Order shall be final without further Order or proceedings. A request for a hearing shall not stay the immediate effectiveness of this order.

If a hearing is requested by the licensees or a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Order should be sustained.

Dated at Rockville, Maryland, this 27th day of April 1990.

For the Nuclear Regulatory Commission.

James Lieberman,

Director, Office of Enforcement.

[FR Doc. 90-10790 Filed 5-8-90; 8:45 am]

BILLING CODE 7590-01-M

PENSION BENEFIT GUARANTY CORPORATION

Request for OMB Extension of Approval of a Currently Approved Collection of Information; Form 1-ES, Form 1 and Schedule A of Annual Premium Payment Package

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Notice of collection of information submitted for OMB approval.

SUMMARY: The Pension Benefit Guaranty Corporation ("PBGC") has requested approval by the Office of Management and Budget ("OMB") of PBGC's "Premium Payment Package", which includes the Form 1 with Schedule A, the Form 1-ES (used for estimated premiums by large plans), and instructions for each. The Premium Payment Package is currently approved under OMB 1212-0009, which expires August 31, 1990. The Schedule A, which is used by single-employer plans to calculate the variable rate portion of the PBGC premium, has been materially revised to reflect a new exemption (for plans at the full funding limit) and a new special rule (for small plans paying the maximum variable rate amount). (PBGC will soon amend its Payment of Premiums regulation to reflect the new exemption and special rule.) The Form 1-ES and Form 1 have not been materially revised.

In order to be able to issue the Form 1-ES, Form 1 and Schedule A in time for 1990 premium payments, the PBGC has requested expedited review by OMB, pursuant to 5 CFR § 1320.18. As part of the expedited review process, the PBGC is hereby publishing these forms (with instructions) for public comment.

DATES: Comments must be submitted on or before June 4, 1990.

ADDRESSES: All written comments (at least three copies) should be addressed to the Office of Information and Regulatory Affairs of OMB, Attention: Desk Officer for the Pension Benefit Guaranty Corporation, 725 17th Street NW., room 3208, Washington, DC 20503, with a copy to the Pension Benefit Guaranty Corporation, Office of the General Counsel (Code 22500), 2020 K Street, NW., Washington, DC 20006; telephone (202) 778-8850 (202-778-8859 for TTY and TTD) (not toll-free numbers).

Issued at Washington, DC, this 3rd day of May, 1990.

James B. Lockhart III,

Executive Director, Pension Benefit Guaranty Corporation.

BILLING CODE 7708-01-M

DRAFT

PBGC Form 1
Pension Benefit Guaranty Corporation
1990

Annual Premium Payment
For Plan Years Beginning in Calendar Year 1990
See the 1990 Premium Payment Package for the Instructions for Form 1

Approved OMB 1212-0009
ExpiresXXXXXXX
For PBGC Use Only

1. Plan Sponsor — Check for Address Change ☐
(a) Name
(b) Address
(c) City (d) State (e) Zip

2. Plan Administrator
(a) Name
(b) Address
(c) City (d) State (e) Zip

3. Plan Sponsor's Employer Identification Number (EIN) Plan Number (PN)
(a) ☐☐☐☐☐☐☐☐☐ (b) ☐☐☐
Enter 9 Digit EIN — Enter 3 digit PN
(c) Does EIN/PN match entry on 1989 Form 5500? Yes ☐ No ☐ If no, attach explanation.

4. *If* either the EIN or PN in item 3 is *NOT* the same as on prior premium filing, enter both prior EIN and prior PN.
(a) ☐☐☐☐☐☐☐☐☐ (b) ☐☐☐
Enter 9 Digit EIN — Enter 3 digit PN
(c) ☐ EIN/PN Change or (d) ☐ Change Due to Merger
(e) ☐ Effective Date *(Month/Day/Year)* ☐☐☐

5. Coverage Status (Check *only* one)
(a) ☐ Covered
(b) ☐ Uncertain
(If uncertain you must file. See instructions.)

6. Filing Status (Check any applicable)
(a) First plan filing ☐ Yes ☐ No
(b) Terminated plan ☐ Yes ☐ No
If yes, enter applicable month/day/year of:
(1) Date assets distributed
(2) Date trustee appointed under ERISA section 4042

7. Plan Date — Month Day Year

8. Industry Code — Enter 4 digits

9. Name of Plan

10. Name and telephone number of plan contact
(a) Name
(b) Area Code and phone number

11. Plan type: (Check appropriate box to indicate type of plan and type of filing.)
(a) ☐ Multiemployer Plan (b) ☐ Single-Employer Plan (includes Multiple Employer Plan)

12. This premium is for the plan year beginning (Month/Day/Year) ....
If the plan year has changed since last filing with PBGC, check here ☐

13. Enter PARTICIPANT COUNT for plan year specified in Line 12 .... [13]
(If this count does not equal the count on your 1989 Form 5500, enter the count from your 1989 Form 5500. ______________)

14. MULTIEMPLOYER plans: Multiply line 13 by the $2.60 premium rate and enter amount .... [14]

15. SINGLE-EMPLOYER plans: Compute your premium as indicated below.
(a) Flat rate portion: Multiply the participant count on line 13 by $16 .... [15a]
(b) Variable rate portion: From Schedule A, line 9 .... [15b]
(c) Total Premium: Add lines 15(a) and 15(b). Enter amount .... [15c]

16. Premium credits: (See instructions) .... [16]

17. Enter net amount of premium due. If amount on line 14 or 15(c) is *larger* than the amount on line 16, *subtract* line 16 from line 14 or 15(c) and enter amount due on line 17 .... [17]

Enter amount of check payable to Pension Benefit Guaranty Corporation: .... $ ______
Mail Form 1 (including Schedule A for single-employer plans) and check to: Pension Benefit Guaranty Corporation, P.O. Box 105655, Atlanta, GA 30348-5655

Note: Each plan requires a separate Form 1 and a separate check. Put the EIN/PN shown in item 3 on the check. (For delivery services requiring street address, see Part D1 of instructions.)

18. Overpayment. If amount on line 16 is *larger* than the amount on line 14 or 15(c), enter amount of overpayment: .... $ ______
Do you want overpayment refunded to you or credited against next year's premium? Check one: ☐ refund ☐ credit.

19. *If* you have any attachments, other than Schedule A, check here : ☐ Put plan name (item 9) and EIN/PN (item 3) on each sheet.

20. Multiemployer Plan Declaration (Single-Employer plans refer to Schedule A): Under penalties of perjury (18 U.S.C. 1001), I declare that I have examined this filing, and to the best of my knowledge and belief it is true, correct and complete.

Signature of Multiemployer Plan Administrator — Date

SCHEDULE A
(PBGC Form 1)
1990

Single-Employer Plan
Variable Rate Portion of the Premium
(See Part H for General Instructions and Part I for Line-By-Line Instructions)

Approved OMB 1212-0009
Expires xxxxxx

EIN/PN From:
(a) Form 1 Line 3: ☐☐☐☐☐☐☐☐☐ / ☐☐☐ (b) 1989 Form 5500: ☐☐☐☐☐☐☐☐☐ / ☐☐☐
Plan Name:

Section One. **Filing Method.** All Single-Employer plans *must* complete this section.

1. **Filing Method:** Check only one box. See Section Four for required certifications.
(a) ☐ General Rule: (Enrolled Actuary must certify on line 11.) Go to line 2.
(b) Alternative Calculation Method: Check a box and go to line 2.
(1) ☐ Plans with fewer than 500 Participants.
(2) ☐ Plans with 500 or more Participants.
(c) Plans Exempt from Variable Rate Portion of Premium: Check a box and go to line 9 and enter $0.
(1) ☐ No Vested Participants.
(2) ☐ 412(i) Plans.
(3) ☐ Fully Funded Plans with fewer than 500 Participants.
(4) ☐ Plans Terminating in Standard Terminations with a pre-1990 Plan Year proposed termination date:
Enter termination date *(month/day/year)*: .... (__/__/__)
(5) ☐ Plans at Full Funding Limit.
(d) ☐ Plans Terminating in Distress or Involuntary Termination with a pre-1990 Plan Year termination date:
Enter termination date *(month/day/year)*: .... (__/__/__)
(e) ☐ Small Plans Paying Maximum Variable Rate Premium. Go to line 7.

Section Two. **Unfunded Vested Benefits.** Complete this section if you checked line 1(a), 1(b) or 1(d).

2. **Present Value of Vested Benefits:**
Plan values are determined as of (month/day/year) ___/___/___.
The assumed retirement age is _____ years. The adjusted values are based on a Required Interest Rate of ________ % and an accrual factor of ________.

	(a) Plan Vested Benefits Value	(a) Interest Rate	(b) Adjusted Value of Vested Benefits
(1) Retirees and beneficiaries receiving payments	$ ______	______ %	$ ______
(2) Participants *not* receiving payments	$ ______	______ %	$ ______
(3) Total (line (1) plus line (2))	$ ______	//////////	$ ______

3. **Value of Plan Assets:**
(a) Enter value of plan assets as of (month/day/year): ___/___/___ .... $ ______
(b) Enter contribution receivables included in line 3(a) .... $ ______
(c) Discounted paid contributions.
(Note: For plans with fewer than 500 participants, this line is optional; you may go to line 3(d)) .... $ ______
(d) Enter adjusted value of plan assets (line 3(a) minus line 3(b) plus line 3(c)) .... $ ______

4. **Adjusted Unfunded Vested Benefits:**
Enter adjusted unfunded vested benefits. *(If line 4 is $0, go to line 9; if not, go to line 5)* .... $ ______

5. **Multiply line 4 by 0.006 and enter** .... $ ______

6. **Divide line 5 by the participant count** (from Form 1 line 13 (enter count: ________)) .... $ ______

7. **Enter the $34 standard per participant cap** (or, *if* qualified, a reduced cap as low as $19) .... $ ______

8. **Enter the** ***lesser*** **of the amounts on line 6 or 7** .... $ ______

Section Three. **Variable Rate Portion Of The Premium.** All Single-Employer plans *must* complete this section.

9. **Enter here and on Form 1, line 15(b) either:**
(a) Line 8 multiplied by the participant count (from Form 1 line 13 (enter count: ________)) *or*,
(b) *If* any box on line 1(c) was checked or *if* line 4 was $0, enter $0 .... $ ______

SCHEDULE A
(PBGC Form 1)
1990

EIN/PN from Form 1 Line 3: ☐☐☐☐☐☐☐☐☐ / ☐☐☐

Page 2

Section Four. Certifications

10. Certification of Plan Administrator. All single-employer plan administrators *must* sign and complete this line. In addition initial, do not check, box (a), (b) or (c) if applicable.

I certify, under penalties of perjury (18 U.S.C. 1001), that I have examined the completed PBGC Form 1 and Schedule A and to the best of my knowledge and belief, the form, the schedule and this certificate are in conformance with the premium regulation and instructions, complete and accurate, and any information I made available to the enrolled actuary is true, correct and complete, and further that:

(a) ☐ (Initials) no participant was entitled to a vested benefit under the plan (by its terms or as required by law) as of the last day of the preceding plan year (or if this is a new or newly covered plan, as of the first day of the premium payment year).

(b) ☐ (Initials) the plan was a plan described in section 412(i) of the Internal Revenue Code and regulations thereunder at all times during the preceding plan year (or if this is a new or newly covered plan, as of the first day of the premium payment year).

(c) ☐ (Initials) the adjusted value of vested benefits on line 2(b) is the same as the plan value of vested benefits entered on line 2(a) because the plan interest rates used to value the vested benefits entered on lines 2(a)(1) and 2(a)(2) were equal to or less than the Required Interest Rate.

Signature of Single-Employer Plan Administrator ____________ Date ______

11. Certification of Enrolled Actuary. An Enrolled Actuary must sign and complete the certification below if: (1) the box on line 1(a) is checked; or (2) any one or more of boxes (a) through (f) below is applicable. (See the "Certification Requirements" instructions in Part H, Item 5, for the filing method you selected to determine which of boxes (a) through (f) below are applicable.)

NOTE: If any one or more of boxes (a) through (f) below is applicable, the Enrolled Actuary must also initial the applicable box(es). *Initial, do not check, the applicable boxes.*

I certify, under penalties of perjury (18 U.S.C. 1001), that I have examined the completed PBGC Form 1 and Schedule A and to the best of my knowledge and belief, the schedule and this certificate are in conformance with the premium regulation and instructions, complete and accurate, and any information I made available to the plan administrator is true, correct and complete, and further that:

(a) ☐ (Initials) The plan had 500 or more participants as of the last day of the preceding plan year (or if this is a new or newly covered plan, as of the first day of the premium payment year); the actuarial value of plan assets equals or exceeds the value of all accrued benefits under the plan (valued at the Required Interest Rate) and the entry on line 2(a) is the present value of accrued benefits.

(b) ☐ (Initials) The plan had no unfunded vested benefits and fewer than 500 participants both as of the last day of the preceding plan year (or if this is a new or newly covered plan, as of the first day of the premium payment year).

(c) ☐ (Initials) The adjusted value of vested benefits on line 2(b) is the same as the plan value of vested benefits entered on line 2(a), Schedule A, because the plan interest rates used to value the vested benefits entered on lines 2(a)(1) and 2(a)(2) were equal to or less than the Required Interest Rate.

(d) ☐ (Initials) The plan meets the requirements of the special rule for a nonprofit entity for purposes of computing the adjusted per participant cap entered on line 7 of Schedule A.

(e) ☐ (Initials) The adjusted unfunded vested benefits reported on Schedule A reflect, in a manner consistent with generally accepted actuarial principles and practices, the occurrence, if any, of any of the significant events described in the premium regulation and instructions. (*Note:* if you initial this box, you must complete the following information.)

(1) Check each significant event that occurred between the determination date entered on line 2 of this Schedule A and the last day of the plan year preceding the premium payment year (see Part H.6. of instructions for definitions):
S.E.(1) ☐ S.E.(2) ☐ S.E.(3) ☐ S.E.(4) ☐ S.E.(5) ☐ S.E.(6) ☐ S.E.(7) ☐ No Significant Event occurred ☐

(2) Total amount included in line 4 due to significant events
(if negative, place in parentheses): .... $ ______

(f) ☐ (Initials) The plan meets the requirements for the exemption applicable to plans at the full funding limit.

Signature of Enrolled Actuary ____________ Date ______

Print or Type Name of Enrolled Actuary ____________ Enrollment number ______

Address (number and street) ____________

City ______ State ______ Zip Code ______

PBGC Form 1-ES
Pension Benefit Guaranty Corporation
1990

Estimated Premium Payment

(Plans with 500 or More Participants)

For Plan Years Beginning in Calendar Year 1990

Approved OMB 1212-0009
Expires xxxxxx
For PBGC Use Only

1. Plan Sponsor

Name ____________ ☐☐☐☐☐☐☐☐☐ EIN (Employer Identification Number) ☐☐☐ PN (Plan Number)

Address ____________

City ______ State ______ Zip ______

2. Estimated Filing For:

Plan Year Beginning ☐ ☐ ☐
Plan Year Ending ☐ ☐ ☐
Month Day Year

3. Estimated Premium Due The PBGC:

	Rate		Participant Count		
A. Single-Employer Plans.........	$16.00	X	______	= $	______
B. Multiemployer Plans...........	$2.60	X	______	= $	______

Make your check for the amount shown on the appropriate line in item 3 above and mail to:

Pension Benefit Guaranty Corporation
P.O. Box 105655
Atlanta, GA 30348-5655

NOTE: Each plan requires a separate Form 1-ES and a separate check.
Write the EIN/PN shown in item 1 above on your check.

Instructions For The 1990 PBGC Form 1-ES.

A plan which was required to report 500 or more participants on its final 1989 PBGC Form 1 must make its 1990 estimated premium payment by the First Filing Due Date, which is the last day of the second full calendar month following the close of its previous plan year.

To avoid a penalty charge, the estimated premium payment you make with this filing must be at least equal to the *lesser* of:

A. 90 percent of the amount due on the plan's Final Filing Due Date for the $16 per participant flat rate portion of the single-employer premium or for the $2.60 per participant multiemployer premium; or

B. an amount equal to the participant count for the final 1989 PBGC Form 1 filing multiplied by $16 for single-employer plans and $2.60 for multiemployer plans.

If the estimated premium paid on the First Filing Due Date is less than 100 percent of the flat rate amount due by the Final Filing Due Date, there will be a charge for interest on the difference between the two amounts, beginning on the First Filing Due Date.

Single-Employer Plans: The flat rate portion of the premium is $16 per participant.
No estimated premium is required for the variable rate portion of the premium.

Multiemployer Plans: The premium rate is $2.60 per participant.

All definitions, instructions and filing rules as stated in the 1989 Premium Payment Instructions may be used for guidance in completing the 1990 Form 1-ES.

For Assistance Contact: Pension Benefit Guaranty Corporation
Premium Operations Division
2020 K Street, N.W.
Washington DC 20006-1860
Telephone (202) 778-8825 (This is not a toll free number.)

1990 Premium Payment Package

Pension Benefit Guaranty Corporation
How To Complete PBGC Premium Payment Forms

PAPERWORK REDUCTION ACT NOTICE

We need this information to determine the amount of premium due to the PBGC under Title IV of ERISA. You are required to give us this information. Confidentiality is that supplied by the Privacy Act and the Freedom of Information Act.

The estimated times needed to complete and file the Form 1, the Form 1-ES and, for single-employer plans, Schedule A are listed below. These times are averages for the plans in each of the listed categories. These times will vary depending on the circumstances of a given plan.

FORM AND PLAN TYPE		AVERAGE TIME
Form 1-ES		
Single-Employer Plans	10,000 plans	0.5 hour
Multiemployer Plans	1,080 plans	0.5 hour
Form 1 and Schedule A		
Single-Employer Plans		
Plans with Under 500 Participants		
Fully funded	80,000 plans	1.0 hour
Underfunded	20,000 plans	1.7 hours
Plans with 500 or More Participants		
Fully funded	8,000 plans	1.0 hour
Underfunded	2,000 plans	5.1 hours
Multiemployer Plans	2,400 plans	0.5 hour

If you have comments concerning the accuracy of these time estimates or suggestions for making the forms simpler, please send your comments to Pension Benefit Guaranty Corporation, Office of the General Counsel, 22500, 2020 K Street, NW, Washington, DC 20006-1860 and Office of Management and Budget, OIRA, Attention Desk Officer - PBGC, New Executive Office Building, Washington, DC 20503.

PART TOPIC PAGE

Part A INTRODUCTION

1. What Are PBGC Form 1 And Form 1-ES?

The Form 1 (including Schedule A to Form 1) and Form 1-ES are forms used to pay premiums to the Pension Benefit Guaranty Corporation (PBGC) as required by sections 4006 and 4007 of the Employee Retirement Income Security Act, as amended (ERISA), and the PBGC's Payment of Premiums regulation (29 CFR Part 2610).

The Form 1-ES is used by all plans that reported 500 or more participants on their 1989 PBGC Form 1 to make their initial 1990 premium payments (only the flat rate portion of the premium for single-employer plans) and permits the initial premium calculation to be based on an estimated participant count. These plans use the Form 1 to make a subsequent reconciliation filing and, for single-employer plans, to pay the variable rate portion of the premium, both based on an actual participant count. (NOTE: If all the information needed to file Form 1 is known before the First Filing Due Date, you should file a Form 1 instead of a Form 1-ES. If you file a Form 1-ES, you will still be required to file a Form 1 by the Final Filing Due Date.) Plans with fewer than 500 participants file the Form 1 only, with their total premium payment, by the Final Filing Due Date.

It is the responsibility of the plan administrator to obtain and complete the Form 1 and Form 1-ES, as applicable, and make the premium payment each year. The PBGC will permit the use of re-typed or other facsimile forms. However, any such forms must present the same information in the same location as on the PBGC forms. (Any signatures or initials required from the plan administrator or enrolled actuary must be filed in original form.) The instructions in this pamphlet describe how to complete Form 1 and Form 1-ES and make the premium payment due.

2. Definitions

In these instructions -

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended (29 U.S.C. 1001, et seq.).

"Code" means the Internal Revenue Code of 1986, as amended.

"First Filing Due Date" means the last day of the 2nd full calendar month following the close of the preceding plan year, except that, in the case of plans changing plan years, it is the later of the last day of the 2nd full calendar month following the close of the preceding plan year or 30 days following the date on which a plan amendment was adopted changing the plan year. See Part C for plans that must file a Form 1-ES on a "First Filing Due Date".

"Final Filing Due Date" means the 15th day of the 8th full calendar month following the month in which the plan year began except:

a. In the case of plans filing for the first time it is the latest of the following dates-

(i) the 15th day of the 8th full calendar month following the month in which the plan year began, or if later, in which the plan became effective for benefit accruals for future service,

(ii) 90 days after the date of the plan's adoption,

(iii)90 days after the date on which the plan became covered under ERISA section 4021.

b. In the case of plans changing plan years, it is the later of the 15th day of the 8th full calendar month following the month in which the plan year began, or 30 days after the date on which a plan amendment was adopted changing the plan year.

See Part C for plans that must file a Form 1 on a "Final Filing Due Date".

"Filing Due Date" means either of the filing dates defined above.

"Form 1" means the Annual Premium Payment Form 1 issued by the PBGC and includes, for single-employer plans, the Schedule A.

"Form 1-ES" means the Estimated Premium Payment Form 1-ES issued by the PBGC for estimating the flat rate portion of the premium for single-employer plans and the total premium for multiemployer plans.

"Schedule A" means the schedule to the Form 1 which is used by single-employer plans only to calculate unfunded vested benefits and compute the variable rate portion of the premium.

"Flat rate portion of the premium" means the portion of the single-employer premium determined by multiplying the flat rate premium charge by the number of participants in the plan on the last day of the preceding plan year or, for a new or newly covered plan, the first day of the current plan year. The flat rate charge for single-employer plans for plan years beginning in 1988 or later is $16 per participant.

"Variable rate portion of the premium" means the portion of the single-employer premium based on a plan's unfunded vested benefits and determined by multiplying the variable rate charge by the number of plan participants. The variable rate charge is $6 for every $1,000 (or fraction thereof) of unfunded vested benefits, with that product divided by the number of plan participants. The variable rate charge is subject to a cap of, generally, $34 per participant.

"Premium payment year" means the plan year for which the premium is being paid.

"Premium regulation" means the PBGC's regulation on Payment of Premiums (29 CFR Part 2610). The Form 1-ES and Form 1 and these instructions are issued under and implement the premium regulation.

"Form 5500 series" means Form 5500 and 5500C/R, Annual Return/Report of Employee Benefit Plan, jointly developed by the Internal Revenue Service, the Department of Labor and the PBGC. (Copies of this form may be obtained from the Department of Labor or the Internal Revenue Service.)

"We" or "us" means the Pension Benefit Guaranty Corporation.

"You" or "your" means the administrator of a pension plan.

"Plan administrator" means: (a) the person specifically so designated by the terms of the instrument under which the plan is operated; or (b) if an administrator is not so designated, the plan sponsor.

"EIN" means Employer Identification Number. It is always a 9-digit number assigned by the Internal Revenue Service for income tax purposes.

"PN" means Plan Number. This is always a 3-digit number. The plan sponsor assigns this number to distinguish among employee benefit plans established or maintained by the same plan sponsor. A plan sponsor usually starts numbering pension plans at "001" and uses consecutive Plan Numbers for each additional plan. Once a PN is assigned, always use it to identify the same plan. If a plan is terminated, retire the PN - do not use it for another plan.

3. Recordkeeping Requirements; PBGC Audits

Plan administrators are required to retain all plan records that are necessary to support or validate PBGC premium payments. The records must include calculations and other data prepared by the plan's actuary or, for a plan described in section 412(i) of the Internal Revenue Code, by the insurer from which the insurance contracts are purchased. The records are to be kept for six years after the premium due date.

Records that must be retained include, but are not limited to, records that establish the number of plan participants, that reconcile the calculation of the plan's unfunded vested benefits with the actuarial valuation upon which the calculation was based, and, for plans that assert entitlement to the reduction in the cap on the variable rate portion of the premium, that demonstrate the methods and assumptions used by the plan during the base period with respect to calculating its maximum deductible contribution pursuant to section 404 of the Code. Records retained pursuant to this paragraph must be made available to the PBGC upon request for inspection and photocopying.

The PBGC may audit any premium payment. If PBGC determines upon audit that the full amount of the premium due was not paid, late payment interest charges under § 2610.7 of the premium regulation and the late payment penalty charges under § 2610.8 of the premium regulation shall apply to the unpaid balance from the premium due date to the date of payment. If, in the judgment of the PBGC, the plan's records fail to establish the number of participants with respect to whom premiums were required for any premium payment year, the PBGC may rely on data it obtains from other sources (including the Internal Revenue Service and the Department of Labor) for presumptively establishing the number of plan participants for premium computation purposes. Similarly, if, in the PBGC's judgment, the plan's records fail to establish that the unfunded vested benefits were the amount reported in the premium filing, the variable rate portion of the premium owed with respect to that premium payment may be deemed to be the maximum $34 per participant charge.

Part B WHO MUST FILE

1. General Rule

The plan administrator of each single-employer plan and multiemployer plan covered under section 4021 of ERISA is required annually to file the Form 1 and, if applicable, Form 1-ES and pay the premium due. If you are uncertain whether your plan is covered under section 4021, you should request a coverage determination by writing to us at the address shown in Part D. A request for a coverage determination does not extend the due date for any premium that is finally determined to be due. If we determine that the plan is not a covered plan, we will refund any premium paid.

2. Terminating Plans

a. Obligation To File. The obligation to file the PBGC Form 1 and Form 1-ES and make the required premium payments continues until the end of the plan year in which either -

(i) the plan's assets are distributed in accordance with section 4041(b) of ERISA governing standard terminations (and distress terminations with assets sufficient to pay guaranteed benefits) or section 4041A of ERISA governing multiemployer plan terminations, or

(ii) a trustee, generally the PBGC, is appointed for a terminating plan under ERISA section 4042.

b. Refunds. Any required premium payments are for a full plan year. You may not prorate the premium for the plan's final (short) plan year. However, you may request a refund for that plan year. The PBGC will determine the amount of the refund by prorating the premium for the short plan year on a monthly basis (treating a part of a month as a full month). For this purpose, the PBGC will treat the short plan year as ending on --

(i) where a single-employer plan's assets are distributed in accordance with section 4041(b)(3) of ERISA (for either a standard or distress termination), the later of:

(A) the asset distribution date; or

(B) 30 days prior to the date the PBGC receives the plan's post-distribution certification.

(ii) where a multiemployer plan's assets are distributed in accordance with section 4041A of ERISA, the asset distribution date; or

(iii) where a trustee is appointed under ERISA section 4042, the date of appointment.

To request a refund, write separately to the address shown in Part D, Item 2. Enclose a copy of the Form 1 that you filed. We will calculate the amount of your refund.

If a plan terminates and a new plan is established, premiums are due for the terminated plan as described above, and premiums are also due for the new plan from the first day of its first plan year (see Part C, Item 2).

Example 1 A plan with a plan year beginning January 1, 1989, and ending December 31, 1989, terminates in a standard termination on September 30, 1989. On April 7, 1990, all assets are distributed and the PBGC is notified within 30 days. Since the terminating plan is sufficient to pay all benefit liabilities, no trusteeship is involved. The plan administrator must file and make the premium payments for the 1989 plan year and for the 1990 plan year. However, the plan administrator may request a refund for the short 1990 plan year, January 1, 1990 - April 7, 1990. A refund will be made for the period of May - December 1990.

Example 2 A plan with a plan year beginning July 1, 1989 and ending on June 30, 1990, terminates in a distress termination on April 29, 1990. On July 31, 1990, a trustee is appointed to administer the plan under ERISA section 4042. This plan is required to file and make premium payments for both the 1989 and 1990 plan years, because a trustee was not appointed until after the beginning of the 1990 plan year. However, the plan administrator may request a refund for the short 1990 plan year, July 1, 1990- July 31, 1990. A refund will be made for the period of August 1990 - June 1991.

Part C WHEN TO FILE

1. General Rule

The following table shows the filing due dates for the 1990 premium payment year.

Filing Due Dates

Premium Payment Year Begins	Form 1-ES Due Date (By Day of Month Plan Year Begins) 1st Day	2nd-End	Form 1 Filing Due Date
Jan 1990	02/28/90	04/02/90	09/17/90
Feb 1990	04/02/90	04/30/90	10/15/90
Mar 1990	04/30/90	05/31/90	11/15/90
Apr 1990	05/31/90	07/02/90	12/17/90
May 1990	07/02/90	07/31/90	01/15/91
Jun 1990	07/31/90	08/31/90	02/15/91
Jul 1990	08/31/90	10/01/90	03/15/91
Aug 1990	10/01/90	10/31/90	04/16/91
Sept 1990	10/31/90	11/30/90	05/15/91
Oct 1990	11/30/90	12/31/90	06/15/91
Nov 1990	12/31/90	01/31/91	07/15/91
Dec 1990	01/31/91	02/28/91	08/15/91

Your due date for filing the Form 1 and, if applicable, Form 1-ES and paying the premium owed depends on the number of plan participants as of the last day of the second plan year preceding the premium payment year. This number is the participant count required to be reported on the Form 1 for the plan year preceding the year for which you make the filing (i.e., for 1990 premiums, the participant count on the 1989 Form 1). NOTE: The participant count date for purposes of determining your Filing Due Date is different from the participant count date used for computing the premium (see Part G).

Plans that were required to report 500 or more participants on the preceding year's Form 1 must generally file a Form 1-ES by the last day of the second full calendar month following the close of the preceding plan year ("First Filing Due Date") and a Form 1 by the 15th day of the eighth full calendar month following the month in which the plan year began ("Final Filing Due Date"). For single-employer plans, only the flat rate portion of the premium is due by the First Filing Due Date; the variable rate portion is due by the Final Filing Due Date. For multiemployer plans, the entire premium is due by the First Filing Due Date.

Plans that reported fewer than 500 participants on the preceding year's Form 1 are required to file the Form 1 and pay the entire premium due by the 15th day of the 8th full calendar month following the month in which the plan year began.

The premium owed for a plan year is based on the number of plan participants as of the last day of the preceding plan year. However, plans may not have an accurate participant count before the First Filing Due Date. For this reason, the Form 1-ES permits plans to compute the amount owed on the basis of an estimated participant count. However, we remind you that for plans with 500 or more participants, the total flat rate portion of the premium, in the case of a single-employer plan, or the entire premium, in the case of a multiemployer plan, is due by the First Filing Due Date. If the full amount due is not paid by that date, the plan will be subject to late payment interest and penalty charges (see Part F).

You may avoid a late payment penalty charge (but not the interest) (see Part F) for the flat rate portion of the premium if you do two things:

a. First, you must pay 100 percent of the premium amount due on the plan's Final Filing Due Date for the $16 per participant flat rate portion of the single-employer premium or the $2.60 per participant multiemployer total premium; and

b. Second, the premium based on an estimated participant count that you pay with the Form 1-ES by the First Filing Due Date must equal at least the *lesser* of:

(i) 90 percent of the premium amount due on the plan's Final Filing Due Date for the $16 per participant flat rate portion of the single-employer premium or the $2.60 per participant multiemployer premium, or

(ii) an amount equal to the participant count for the PBGC Form 1 for the year before this premium payment year multiplied by $16 for single-employer plans and $2.60 for multiemployer plans.

If you have an accurate participant count by the First Filing Due Date, you should pay the amount owed by that date. If you do this, you will avoid the interest and penalty charges. If you have all the information needed to file Form 1 on or before the First Filing Due Date, you should file a Form 1. If you file a Form 1-ES, you will still be required to file a Form 1 by the Final Filing Due Date. (A single-employer plan that files a Form 1 with its first payment but does not include the variable rate portion of the premium, will have to file another Form 1, identified as an "Amended Filing," with that payment by the Final Filing Due Date.)

2. Plans Filing For The First Time

a. First Filing Due Date. New and newly covered plans are not required to pay an estimated premium by a First Filing Due Date.

b. Final Filing Due Date. For all new and newly covered plans, regardless of the number of plan participants, that have NOT previously been required to file a Form 1 and pay premiums to us, the Final Filing Due Date is the latest of the following dates:

(i) the 15th day of the 8th full calendar month following the month in which the plan year began, or if later, following the month in which the plan first became effective for benefit accruals for future service (see Examples 1 and 2),

(ii) 90 days after the date of the plan's adoption (see Example 3), or

(iii) 90 days after the date on which the plan became covered under ERISA section 4021 (see Example 4).

c. Refunds. Any required premium payments are for a full plan year. Thus, you must pay a full year's premium payment for the plan's first plan year, even if it is a short plan year (e.g., a new plan maintained on a calendar year basis becomes effective for benefit accruals for future service on July 1, 1990). However, you may request a refund for the plan's first (short) plan year by writing separately to the address shown in Part D, Item 2. Enclose a copy of the Form 1 that you filed. We will calculate the amount of the refund by prorating the premium for the short plan year on a monthly basis (treating a part of a month as a full month.)

Example 1 A new plan has a plan year beginning January 1, 1990, and ending December 31, 1990. The plan was adopted October 1, 1989, and became effective for benefit accruals January 1, 1990. The Final Filing Due Date is September 17, 1990, since September 15th is a Saturday.

Example 2 A new plan is adopted on December 1, 1990, and has a July 1 - June 30 plan year. The plan became effective for benefit accruals for future service on December 1, 1990. The Final Filing Due Date for the plan's first year, July 1, 1990, through June 30, 1991, is August 15, 1991. The plan owes a premium for all of 1990, and may request a refund for the period of July 1990 through November 1990.

Example 3 A new plan has a plan year beginning January 1, 1990, and ending December 31, 1990. The plan was adopted on September 14, 1990, with a retroactive effective date of January 1, 1990. The Final Filing Due Date is December 13, 1990.

Example 4 A professional service employer maintains a plan with a plan year beginning on January 1, 1990, and ending December 31, 1990. If this type of plan has always had fewer than 25 participants it is not a covered plan under ERISA section 4021. On October 15, 1990, the plan, which always had under 25 participants, has 26 participants. It is now a covered plan and will continue to be a covered plan regardless of the plan's future participant count. The Final Filing Due Date is January 13, 1991.

3. Plans Filing For the Second Time

The due date rules for plans filing for their second (or second covered) plan year are the same as the General Rule under Item 1, with one exception. For these plans, the determination of whether the plan has 500 or more participants is made as of the first day of the preceding plan year, i.e., the first day of the plan's first (or first covered) plan year. For plans in their second premium payment year, this is the participant count required to be reported on the preceding year's Form 1.

Example 1 — A single-employer plan has a plan year beginning on July 1st and ending on June 30th. It had a participant count of 950 as of the first day of its first year, July 1, 1989. The First Filing Due Date for the plan's 1990 (its second) plan year is August 31, 1990, and the plan must generally file a Form 1-ES by that date, using an estimated participant count for determining the flat rate portion of the premium. The plan must file its Form 1 and pay any outstanding balance of the flat rate portion of the premium plus the variable rate portion by the Final Filing Due Date, which is March 15, 1991.

Example 2 — A multiemployer plan has a plan year beginning on July 15th and ending on July 14th. It had a participant count of 1,500 as of the first day of the plan' first year, July 15, 1989. The First Filing Due Date for the plan's 1990 (its second) plan year is October 1, 1990, and the plan must generally file a Form 1-ES on that date, using an estimated participant count for determining the amount of the premium. The plan must make a final, reconciliation filing on Form 1 by the Final Filing Due Date, which is March 15, 1991.

Example 3 — A plan had a participant count of 300 as of the first day of the plan's first year. This plan has a plan year beginning on April 1st and ending on March 31st. For the plan year beginning April 1, 1990 (its second plan year), the plan must file Form 1 by the Final Filing Due Date, which is December 17, 1990, because December 15th is a Saturday.

4. Plans Changing Plan Years

a. Due Dates. Plans that change their plan year as the result of a plan amendment must, for the short plan year, follow the due date rules described in Items 1, 2, and 3 above, as applicable.

(i) For the plan year following the short plan year, the First Filing Due Date is the later of:

(A) the last day of the second full calendar month following the close of the short plan year, or

(B) 30 days after the date on which the plan amendment changing the plan year is adopted.

(ii) For the plan year following the short plan year, the Final Filing Due Date is the later of:

(A) the 15th day of the 8th full calendar month following the month in which the plan year begins, or

(B) 30 days after the date on which the plan amendment changing the plan year is adopted.

b. Refunds. Each plan year's premium filing(s) and payment(s) must reflect and be based on a full 12-month plan year. You may not prorate the premium for the short plan year. When a change in plan year resulting from a plan amendment results in a duplicate or overlapping premium payment, you may request a refund. To request a refund, write separately to the address shown in Part D, Item 2. Enclose copies of the relevant Forms 1 that you filed. We will then calculate the amount of your refund by prorating the premium for the short plan year on a monthly basis (treating a part of a month as a full month).

Example 1 — By plan amendment adopted on December 1, 1989, a plan changes from a plan year beginning January 1 to a plan year beginning June 1. This results in a short plan year beginning January 1, 1990, and ending May 31, 1990. The plan always has fewer than 500 participants. The Final Filing Due Date for the short plan year is September 17, 1990, because September 15th is a Saturday. The Final Filing Due Date for the new plan year beginning on June 1, 1990, is February 15, 1991. The plan owes a full year's premium for the short plan year, and may request a refund for the period June through December of 1990.

Example 2 — By plan amendment adopted on October 1, 1990, and made retroactively effective to February 1, 1990, a plan changes from a plan year beginning on January 1 to a plan year beginning on February 1. The plan always has fewer than 500 participants. The Final Filing Due Date for the plan year that began on January 1, 1990, is September 17, 1990. The Final Filing Due Date for the new plan year, which began February 1, 1990, is October 31, 1990. The plan owes a full year's premium for the short plan year, and may request a refund for the period February through December of 1990.

Example 3 — By plan amendment adopted on May 31, 1990, and made retroactively effective to April 1, 1990, a plan changes from a plan year beginning January 1 to a plan year beginning April 1. The plan always has 500 or more participants. The First Filing Due Date for the short plan year is February 28, 1990, and the Final Filing Due Date is September 17, 1990. The First Filing Due Date for the new plan year, which began April 1, 1990, is June 30, 1990, which is the later of the end of the second full calendar month after the close of the short plan year or 30 days after adoption of the plan amendment. The Final Filing Due Date is December 17, 1990. The plan owes a full year's premium for the short plan year, and may request a refund for the period April through December of 1990.

5. Saturday, Sunday And Federal Holiday

a. Filing Due Dates. In computing any period of time described in the premium regulation and these instructions, the day of the event or default from which the period of time begins to run is not counted. The last day of the period is counted, unless it falls on a Saturday, Sunday or Federal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday or Federal holiday.

Example — Plans with plan years beginning on January 1, 1990, normally would have a Final Filing Due Date of September 15, 1990. Because that day is a Saturday, the due date is Monday, September 17, 1990.

b. Interest and Penalty Charges. When computing late payment interest and penalty charges, Saturdays, Sundays and Federal holidays are included.

6. Postmark Date Is Controlling

We will consider that you filed Form 1 or Form 1-ES and your premium payment on the date on which the mailing envelope is postmarked by the United States Postal Service. If the envelope does not contain a legible Postal Service postmark, we will consider that you filed the form and payment on the date that is three days before the date on which we receive it. We will disregard any private postage meter date.

7. Relationship Between Form 1 And Form 5500 Series

a. Due Dates. For many plans, the deadline for filing the Form 1 and the Form 5500 series may coincide. This occurs when a corporate plan sponsor takes the automatic 6-month extension for filing its corporate tax return. This extension automatically extends the due date for filing the Form 5500 series to the tax due date.

Example — A calendar year plan has a Final Filing Due Date for the Form 1 of September 15th. The corporate tax deadline for a calendar year tax year is March 15th, and the corporate plan sponsor takes the automatic extension to September 15th. This would make the due date for the Form 5500 series (which is normally July 31st for a calendar year plan) also September 15th. NOTE: Extensions of time to file the Form 5500 series do not extend the Filing Due Dates for the PBGC forms.

b. Participant Count. Further, the participant count for premium computation purposes for the PBGC Form 1 and the participant count for the Form 5500 series filed in the same year (1990 Form 1 and 1989 Form 5500) are generally determined as of the same date, i.e., the last day of the plan year preceding the year of the filing, and therefore, these numbers should generally be the same. (But see Part G, Item 13.c.)

c. Plan Years Covered By Forms. However, there is a CRITICAL DIFFERENCE between the two filings. The Form 1 is filed for the current plan year and the Form 5500 series is filed for the previous plan year.

Part D ADDRESSES

1. Where To File Form 1 And Form 1-ES

a. Mail Service. Mail Form 1 and Form 1-ES with your premium payment(s) to:

Pension Benefit Guaranty Corporation
P.O. Box 105655
Atlanta, GA 30348-5655

Do not use this address for any purpose except to mail Form 1 and Form 1-ES and your premium payment(s).

b. Delivery Service. Alternatively, if you use a mail delivery service that does not deliver to a P.O. Box, the Form 1 and Form 1-ES, along with your premium payment, may be hand-delivered to:

Retail Lockbox Processing Center
PBGC Lockbox 105655
1740 Phoenix Highway
College Park, GA 30349

2. Where To Obtain Form 1 And Form 1-ES

a. PBGC Mailing. We will mail a Premium Payment Package containing a Form 1-ES and Form 1 and a Schedule A to the plan sponsor of each plan that filed a Form 1 the previous year. We will mail these forms to the address shown in Item 1 of the Form 1, at least 45 days before the expected Filing Due Date.

b. Form Requests.

(i) *Plan Administrator.* If you do not receive a package, it is your responsibility to obtain it. To do so or if you need extra copies, contact:

Pension Benefit Guaranty Corporation
FOD/Premium Operations Division (33700)
2020 K Street, NW
Washington, DC 20006-1860
Phone: (202) 778-8825

This is not a toll-free number. We cannot accept collect calls.

You may also obtain extra copies of the Premium Payment Package and forms from the Pension and

Welfare Benefits Administration of the U.S. Department of Labor (see addresses following the instructions).

(ii) *Pension Practitioner*. If you are a pension practitioner serving many covered plans, you may wish to receive a single copy (for duplicating) or a bulk shipment of the Premium Payment Package and forms. If so, complete the order blank at the end of this Premium Payment Package. Check the appropriate box at the bottom of the order blank.

c. Facsimile. You may photocopy Form 1 and Schedule A, and Form 1-ES. If you send us a photocopy, it must be signed in ink. We will not accept a photocopy of your signature. The PBGC will permit the use of re-typed or other facsimile forms. However, any such forms must present the same information in the same location as on the PBGC forms.

d. Forms For Prior Years. If you are filing for previous years, you may use the current Form 1 and other premium forms, but at the top of the form, you should write the year for which you are filing. However, if the forms are not the same, be sure to include all information required on the previous form.

3. Where To Get Help In Filing The Form 1 Or Form 1-ES

If you have any questions concerning your filing, including questions about the variable rate portion of the single-employer premium, you should contact us at the address or phone number given in Item 2 above.

4. Where To Get A Coverage Determination

If you have any questions concerning whether your plan is covered or wish to obtain a coverage determination, contact:

Pension Benefit Guaranty Corporation
IOD Coverage and Inquires Branch (25400)
2020 K Street, NW
Washington, DC 20006-1860
Phone: (202) 778-88[illegible]

This is not a toll-free number. We cannot accept collect calls.

Part E HOW TO CORRECT A FILING

1. Check Without A Form 1 Or Form 1-ES

If you inadvertently sent in your check without the Form 1 or Form 1-ES, as applicable, send the correct form to the address shown in Part D, Item 2.

2. Form Without A Check

If you inadvertently sent us Form 1 or Form 1-ES without enclosing your check, we will return your form to you. Enclose your check with the returned form and mail them to the address shown in Part D, Item 1.

3. Amended Filing-Premium Underpayment

If you discover after you have filed a Form 1 with us that you have inadvertently made an error in your participant count or in the calculation of the variable rate portion of the premium due, you may use the extra forms in this booklet to file an amended form. Print or type at the top of the Form 1 and Schedule A "AMENDED FILING". Fill in the Form 1 and Schedule A as you would for your annual filing. Enter the correct total in Item 15(a) for the flat rate portion of the premium and the correct variable rate amount in Item 15(b) and enter the total of Items 15(a) and 15(b) in Item 15(c). (For multiemployer plans, enter the corrected premium amount in Item 14.) Subtract from this result the amount previously paid as shown in Item 16 and enter the difference in Item 17. Write the amount of your check for the net amount of the premium due in the space provided for "CHECK for $____" on the Form 1. Mail your amended Form 1 and Schedule A and check to the address shown in Part D, Item 1.

4. Amended Filing-Premium Overpayment

a. Overpayments in General. If you discover after you have filed a Form 1 with us that you overpaid your premium, follow the instructions in Item 3, except that the difference between the amount owed and the amount previously paid should be entered in Item 18. Also, you must check the appropriate box indicating whether you want this amount refunded to you or credited against your premium for next year. If you fail to check either of the boxes, we will automatically credit the overpayment against next year's premium. Mail your amended Form 1 and Schedule A to the address shown in Part D, Item 2.

b. Overpayments Based on Full Funding Limitation. Certain plans may be entitled to a refund for any variable rate portion of their premiums paid for the 1988 or 1989 premium payment year, based on the new exemption for plans at the full funding limit. This new exemption (see Part H.5.c.(v)) is retroactively effective (subject to the modification discussed below) beginning with the 1988 premium payment year. In determining whether you qualify for this exemption for the 1988 or 1989 premium payment year, the same rules apply as are discussed at Part H.5.c.(v) for the 1990 premium payment year, subject to the modification that the contributions that are taken into account are those that are made for the plan year preceding the premium payment year within the time permitted under section 412(c)(10) of the Code. If you determine that you overpaid your premium for 1988 or 1989 because of this exemption, follow the instructions in paragraph a. above.

5. How to Correct An Address

See Part G, Item 1 if you need to correct your address and are doing so at the same time you are making your premium filing.

However, to keep our records current and to ensure that your forms will be mailed to the correct address, you should provide us with your current address as soon as a change has occurred. You may do so by contacting us either in writing or by phone using the information found in Part D, Item 2.

Part F LATE PAYMENT CHARGES

If we receive a premium payment after the Filing Due Date, we will bill the plan for the appropriate Late Payment Charges. The charges include both interest and penalty charges. The charges are based on the outstanding premium amount due at the Filing Due Date.

1. Interest Charges

The Late Payment Interest Charge is set by ERISA and cannot be waived by us. The interest rate charged is established periodically (currently on a quarterly basis) and the interest rates are published in Appendix A to the premium regulation.

Late Payment Interest Charges will be assessed for any premium amount not paid when due, whether because of an estimated participant count or an erroneous participant count or other mistake in computing the premium owed.

2. Penalty Charges

The Late Payment Penalty Charge is established by us, subject to ERISA's restriction that the penalty not exceed 100 percent of the unpaid amount. Currently, the Late Payment Penalty Charge is the greater of:

a. 5 percent per month (or fraction thereof) of the unpaid premium, or

b. $25.00,

but not more than 100 percent of the unpaid premium. (Penalty charges for premiums due for plan years prior to 1984 may be found in § 2610.8 of the premium regulation.)

3. PBGC Waivers

Prior to the Filing Due Date, if you can show substantial hardship and that you will be able to pay the premium within 60 days after the Filing Due Date, you may request us to waive the Late Payment Penalty Charge. If we grant your request, we will waive the Late Payment Penalty Charge for up to 60 days. Waivers may also be granted based on any other demonstration of good cause.

To request a waiver, write separately to:

Pension Benefit Guaranty Corporation
FOD/Financial Programs Division (33600)
2020 K Street, NW
Washington, DC 20006-1860

It is YOUR responsibility as plan administrator to obtain the necessary forms and submit filings on time. We will NOT waive late payment charges resulting from your failure to do so.

4. IRS Extension For Form 5500

NOTE: If the Internal Revenue Service has granted the plan an extension of the due date for filing the Form 5500 series, this does NOT extend the Filing Due Date for Form 1.

5. Minimizing Late Payment Charges

If you are having difficulty determining the actual participant count prior to the First Filing Due Date, see Part C, Item 1 "Participant Count," on how to file using an estimated participant count. This will minimize the assessment of Late Payment Charges to the plan.

If you are having difficulty determining your plan's premium prior to the Final Filing Due Date, you can file the Form 1 using an estimate. You can then file an amended Form 1 reflecting the actual figure (see Part E for procedure). This will minimize the assessment of Late Payment Charges to the plan.

If you file a Form 1-ES for your plan by its First Filing Due Date, you may be able to avoid a Late Payment Penalty Charge with respect to that payment (see Part C). However, if the flat-rate amounts paid with your Form 1 and Form 1-ES total less than the flat rate portion of your premium for a single-employer plan (or the total premium for a multiemployer plan), then you will be charged a Late Payment Penalty Charge (as well as an Interest Charge) on the shortfall from the Form 1-ES First Filing Due Date until the shortfall is paid.

Part G LINE-BY-LINE INSTRUCTIONS FOR FORM 1

The "Item" numbers below refer to the Item or Line numbers on the Form 1.

Item 1 Name Of Plan Sponsor

Enter the name and address of the plan sponsor.

If the address or name printed on the cover of the PBGC Premium Payment Package has changed since your last filing, enter the correct address in the space provided and check the box in the upper right hand corner of Item 1.

It is very important that the address shown in Item 1 be correct, since this is the address we will use to mail your next Premium Payment Package.

The term "plan sponsor" means:

a. the employer(s), in the case of a single-employer pension plan;

b. the employee organization, in the case of a plan established or maintained by an employee organization; or

c. in the case of a plan established or maintained by two or more employers and one or more employee organizations, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.

Item 2 Name Of Plan Administrator

Enter the name and address of the plan administrator.

Item 3 Plan Sponsor's EIN and PN

Item 3(a) EIN For The Plan Sponsor

Enter the EIN for the plan sponsor. Be sure that the EIN entered here is the same as the EIN entered on the Form 5500 series for the plan year preceding the premium payment year.

For plans with more than one employer that meet the definition of a multiemployer plan, enter the EIN assigned to the joint board of trustees. In the case of a plan to which more than one employer contributes (other than a multiemployer plan), enter the EIN of the plan sponsor identified in Item 1. In the case of a controlled group plan, enter the EIN of the parent or, if there is no parent, of the largest employer.

Item 3(b) Plan Number

Enter the Plan Number (PN) for the plan. Be sure that the PN entered here is the same as the PN entered on the Form 5500 series for the plan year preceding the premium payment year.

Item 3(c) Does EIN/PN Match Form 5500?

Does the EIN in item 3(a) and the PN in item 3(b) match exactly the EIN and PN entered on the Form 5500 series for the plan year preceding the premium payment year? Check the "Yes" or "No" box. If no, attach an explanation including the EIN/PN used for the Form 5500 filing, and for single-employer plans, enter that EIN/PN on the top of the Schedule A.

Item 4 Change In EIN Or PN

This item should be completed to report a change in EIN or PN since your last Form 1 or Form 1-ES filing. The EIN of the plan sponsor or the PN may change for a number of reasons, including the acquisition of a division or of an entire company, or because of a mistake in your previous Form 1 filing.

Item 4(a) Change In EIN

Enter the previous EIN in the space provided.

Item 4(b) Change In PN

Enter the previous PN in the space provided.

Item 4(c) EIN/PN Change

If the EIN or PN has changed for any reason other than a plan merger, check the box in Item 4(c), "EIN/PN Change."

Item 4(d) Merger Change

If the EIN or PN has changed because your plan merged with another plan, check the box in Item 4(d), "Change Due to Merger." (If more than one plan has merged into the plan whose EIN/PN is entered in Item 3, attach a separate sheet listing the EIN/PN's that were merged and provide any necessary explanation.)

Item 4(e) Effective Date

Enter the effective date of the change in EIN/PN.

Item 5 Coverage Status

If the plan is covered under section 4021 of ERISA, check 5(a) "Covered."

If you are not certain if the plan is covered, check 5(b) "Uncertain." See Part B, Item 1, and Part D, Item 4, of these instructions.

If you check "Uncertain," you *must* complete Form 1 and pay the appropriate premium as if the plan were covered. Attach a separate sheet to explain the reason why you checked "Uncertain."

Item 6 Filing Status

Item 6(a) First Plan Filing

Check the "Yes" box if you are filing for the first time, and the "No" box if you are filing for a second or subsequent time.

Item 6(b) Terminated Plan

Check the "Yes" box if you have issued notices of intent to terminate to affected parties (with respect to a single-employer plan), or you have filed a Notice of Termination with PBGC (with respect to a multiemployer plan).

If you check "Yes," enter the date the assets were distributed on line 6(b)(1) or enter the date a trustee was appointed under section 4042 of ERISA on line 6(b)(2). If neither event has occurred then enter "UNKNOWN" in the space provided for the dates.

NOTE: You must continue to file Form 1 and Form 1-ES, if applicable, and pay premiums through and including the plan year in which all assets are distributed or a trustee to administer the plan is appointed under section 4042. See Part B, Item 2.

Item 7 Plan Date

Enter the plan date. For new or continuing plans covered under section 4021 of ERISA, enter the later of -

a. the date on which the plan was formally adopted (see Example 1), or

b. the date on which the plan became effective with respect to benefit accruals for future service (see Example 2).

For existing plans not previously covered under section 4021 of ERISA, enter the date on which the plan became covered under that section (see Example 3).

If the plan has been amended or completely restated, show the original plan date.

Example 1 — A plan with a calendar year plan year was adopted on October 1, 1990, with benefit accruals for future service retroactively effective to January 1, 1990. The plan date is October 1, 1990.

Example 2 — A new plan with a calendar year plan year was adopted on November 3, 1989. The plan became effective for benefit accruals for future service on January 1, 1990. The plan date is January 1, 1990.

Example 3 — A professional service employer maintains a plan that always has had 20 participants. This type of plan is not a covered plan under ERISA section 4021, provided it never has had more than 25 participants. However, on October 10, 1990, the plan for the first time has 26 participants. As of that date, it is a covered plan and will continue to be a covered plan regardless of the plan's future participant count. The plan date is October 10, 1990.

Item 8 Industry Code

Enter the 4 digit code that best describes the nature of the employer's business. If more than one employer is involved, enter the industry code for the predominant business activity of all employers. Choose one code from the list at the back of this package.

Item 9 Name Of Plan

Enter the complete name of the plan as stated in the plan document. For example, "The ABC Company Pension Plan for Salaried Personnel."

Item 10 Name And Phone Number Of Plan Contact

Enter the name and phone number of the person we may contact if we have any questions concerning this filing. If Form 1 was completed by a plan consultant, you may enter the consultant's name and phone number.

Item 11 Plan Type

Check the appropriate box to show plan type. For purposes of determining plan type, all trades or businesses (whether or not incorporated) that are under common control are considered to be one employer.

Item 11(a) Multiemployer Plans

Check Item 11(a), "Multiemployer Plan," if the plan is a multiemployer plan.

All plans that file the Form 5500 series for the preceding plan year as a "Multiemployer Plan" should file the PBGC Form 1 for the current plan year as a multiemployer plan. If the two filings do not both report a multiemployer plan, you must provide an explanation on a separate sheet attached to the Form 1. All other Form 5500 series plan type categories are considered as single-employer plans for the PBGC Form 1 filing.

For any plan year beginning on or after September 26, 1980, a multiemployer plan is a plan -

a. to which more than one employer is required to contribute,

b. which is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and

c. which satisfies such other requirements as the Secretary of Labor may prescribe by regulation.

(The above definition does not apply to a plan that elected on or before September 26, 1981, with PBGC's approval, not to be treated as a multiemployer plan (see ERISA section 4303). Such a plan is treated as a single-employer plan.)

The plan administrator of a multiemployer plan MUST file a Form 1 and, if applicable, Form 1-ES and pay a premium for the plan as a whole. The administrator CANNOT file a separate Form 1 (or Form 1-ES) and pay a premium for each individual employer.

Item 11(b) Single-Employer Plans

Check Item 11(b), "Single-Employer Plan", if the plan does not meet the above definition of multiemployer plan.

A single-employer plan includes a "multiple employer plan." A multiple employer plan is a plan -

a. to which more than one employer contributes, and

b. that does NOT satisfy the definition of multiemployer plan, or that elected on or before September 26, 1981, with PBGC's approval, not to be treated as a multiemployer plan (see ERISA section 4303).

If several employers participate in a program of benefits wherein the funds attributable to each employer are available only to pay benefits to that employer's employees, then the plan administrator

MUST file a separate Form 1, and, if applicable, Form 1-ES and pay a separate premium for each individual employer.

If several employers participate in a program of benefits wherein the funds attributable to each employer are available to pay benefits to all participants, then the plan administrator MUST file a Form 1, and, if applicable, Form 1-ES and pay a premium for the plan as a whole. Separate filings and premiums CANNOT be submitted for each individual employer.

If separate plans are maintained for different groups of employees, regardless of whether each has the same sponsor or the sponsors are part of the same controlled group, then the plan administrator(s) MUST file a separate Form 1, and if applicable, Form 1-ES and pay a separate premium for each plan.

Item 12 Plan Year

Enter the beginning date of the plan year for which you are making the premium payment.

If the month and day on which the plan year begins is not the same as that shown on the last Form 1 you filed with us, then check the box in Item 12. Attach a separate sheet with a brief explanation for the change.

Item 13 Participant Count

Enter the total number of participants covered by the plan. This is the number on which the plan's premium is based.

a. Participant Definition

For the purposes of Item 13, a "participant" is an individual who is included in one of the categories below:

(i) *Active.*

(A) Any individual who is currently in employment covered by the plan and who is earning or retaining credited service under the plan. This category includes any individual who is considered covered under Code minimum coverage rules but does not have any accrued benefit.

(B) Any non-vested individual who is not currently in employment covered by the plan but who is earning or retaining credited service under the plan. This category does not include a non-vested former employee who has incurred a break in service the greater of one year or the break in service period specified in the plan.

(ii) *Inactive.*

(A) Inactive Receiving Benefits. Any individual who is retired or separated from employment covered by the plan and who is receiving benefits under the plan. This category does not include an individual to whom an insurer has made an irrevocable commitment to pay all the benefits to which the individual is entitled under the plan.

(B) Inactive Entitled to Future Benefits. Any individual who is retired or separated from employment covered by the plan and who is entitled to begin receiving benefits under the plan in the future. This category does not include an individual to whom an insurer has made an irrevocable commitment to pay all the benefits to which the individual is entitled under the plan.

(iii) *Deceased.*

Any deceased individual who has one or more beneficiaries who are receiving or entitled to receive benefits under the plan. This category does not include an individual if an insurer has made an irrevocable commitment to pay all the benefits to which the beneficiaries of that individual are entitled under the plan.

b. Participant Count

Count the number of plan participants as of the LAST DAY OF THE PRECEDING PLAN YEAR (see Examples 1 and 2), *except* as follows:

(i) *New or Newly Covered Plans.* If this is a new plan or a newly covered plan, count participants as of the first day of the plan year for which you are making the premium payment, or the first day the plan became effective for benefit accruals for future service, if that is later (see Example 3).

(ii) *Certain Mergers or Spinoffs.*

If the plan is the transferee plan in a merger or the transferor plan in a spinoff and the transaction meets the conditions described in (A) and (B) below, count participants as of the first day of the plan year for which you are making the premium payment (see Examples 4 and 5). A plan merger or spinoff (as defined in the regulations under section 414(l) of the Code) is covered by this rule if -

(A) a merger is effective on the first day of the transferee (the continuing) plan's plan year, or a spinoff is effective on the first day of the transferor plan's plan year, and

(B) the merger or spinoff is not de minimis, as defined in the regulations under section 414(l) of the Code with respect to single-employer plans, or under the PBGC's regulation under section 4231 of ERISA (29 CFR Part 2672) with respect to multiemployer plans.

Example 1 — A continuing plan has a plan year beginning September 1, 1990, and ending August 31, 1991. Determine the participant count as of August 31, 1990.

Example 2 — A continuing plan changes its plan year from a calendar year to a plan year that begins June 1, 1990. For the plan year beginning January 1, 1990, determine the participant count as of December 31, 1989. For the plan year beginning June 1, 1990, determine the participant count as of May 31, 1990.

Example 3 — A new plan has a plan year beginning January 1, 1990, and ending December 31, 1990. Determine the participant count as of January 1, 1990.

Example 4 — Plan A has a calendar year plan year and Plan B has a July 1-June 30 plan year. Effective January 1, 1990, Plan B merges into Plan A (and the merger is not de minimis). Plan A determines its participant count as of January 1, 1990. (Since Plan B did not exist at any time during 1990, it does not owe a premium for the 1990 plan year.)

Example 5 — Plan A has a calendar year plan year. Effective January 1, 1990, Plan A spins off assets and liabilities to form a new plan, Plan B (and the spinoff is not de minimis). Plan A determines its participant count as of January 1, 1990. (Plan B also determines its participant count as of January 1, 1990, since it is a new plan that became effective on that date.)

c. Relationship To Form 5500

You must also enter the participant count reported on the plan's Form 5500 series for the plan year preceding the premium payment year, if it is different from the entry in the box in Item 13. This does not apply to new plans since they are not required to file a Form 5500 series for the year preceding their first plan year.

The participant count you enter in Item 13 of the PBGC Form 1 is usually the same as (*but* may be less than) the participant count reported on the plan's Form 5500 series for the preceding plan year.

The Form 5500 participant count may be higher because, for premium purposes, you are not required to count nonvested participants who have left covered employment and have incurred a one-year break-in-service (or the break-in-service period specified in the plan, if longer).

If the Form 5500 series participant count is higher than the premium participant count, you may enter in Item 13 the participant count you reported in the Form 5500 series. Entering the higher participant count will increase the flat rate portion of the premium for all plans and the variable rate portion of the premium payable by single-employer plans at the per participant cap (see Part I, Subpart 2, line 7).

Item 14 Premium For Multiemployer Plans

Multiply the participant count you entered in Item 13 by $2.60. Enter the result in Item 14. This is the total premium due.

Item 15 Premium For Single-Employer Plans

Item 15(a) Flat Rate Portion

Multiply the participant count you entered in Item 13 by $16 and enter the result in Item 15(a). This is the flat rate portion of the premium.

Item 15(b) Variable Rate Portion

In Item 15(b) enter the amount entered in line 9 of Schedule A. This is the amount you must pay for the variable rate portion of the premium.

Item 15(c) Total Premium

Add Items 15(a) and 15(b) and enter the result in Item 15(c) of the Form 1. This is the total premium.

Item 16 Premium Credit

Include on line 16 the following:

a. Credit for 1990 Premium Amount Previously Paid. Amounts you previously paid for the 1990 plan year. (In most cases, this will be the amount you paid when you filed your 1990 Form 1-ES.)

b. Credit from 1989 Form 1 line 18. Amount of any credit you claimed on line 18 of your 1989 Form 1 or amended 1989 Form 1 (see Part E). (Be sure to include the amount of any credit you claimed on line 18 of your amended 1989 Form 1 for overpayments of premiums because you qualified for the Full Funding Limit Exemption (enacted in December 1989) for the 1989 premium payment year. (See Part H.5.c.(v) to see if you qualify.)

c. Full Funding Limit Exemption Credit for 1988. Amount of any credit you claimed on line 18 of your amended Form 1 for 1988 (see Part E) for overpayments of premiums because you qualified for the Full Funding Limit Exemption (enacted in December 1989) for the 1988 premium payment year. (See Part H.5.c.(v) to see if your qualify.)

Item 17 Premium Due The PBGC

If this is a multiemployer plan and the amount you entered in Item 14 exceeds the amount entered in Item 16, subtract the amount entered in Item 16 from the amount entered in Item 14 and enter the result in Item 17 of Form 1. This is the amount you owe the PBGC.

If this is a single-employer plan and the amount you entered in Item 15(c) exceeds the amount entered in Item 16, subtract the amount entered in Item 16 from the amount entered in Item 15(c) and enter the result in Item 17 of the Form 1. This is the amount you owe the PBGC.

Enclose with the Form 1 a check for the amount shown in Item 17 payable to the Pension Benefit Guaranty Corporation. Enter the amount of the check payable in the space provided. Write the EIN/PN you entered in Item 3 on the check. To assure proper crediting of your premium payment,

each Form 1 for each EIN/PN must be filed with a check for the exact amount due for the plan. Do not combine payments for different plans in one check.

Item 18 Amount Of Overpayment

If this is a multiemployer plan and the amount you entered in Item 14 is less than the amount entered in Item 16, subtract the amount entered in Item 14 from the amount entered in Item 16 and enter the result in Item 18. This is the amount of your overpayment.

If this is a single-employer plan and the amount you entered in Item 15(c) is less than the amount entered in Item 16, subtract the amount entered in Item 15(c) from the amount entered in Item 16 and enter the result in Item 18. This is the amount of your overpayment.

You may either request a refund of the overpayment or have that amount credited against your plan's premium for the next plan year. Check the appropriate box indicating your choice beneath Item 18. If you do not check a box, PBGC will automatically credit your overpayment against next year's premium for the plan. An overpayment on one plan cannot be applied to offset an underpayment on one or more other plans.

Item 19 Additional Information

If you have used attachments other than the Schedule A to explain any of your answers, check the box. Be sure to show the plan name and the EIN/PN at the top of each sheet.

Item 20 Certification Of Multiemployer Plan Administrator

As plan administrator of a multiemployer plan, you must sign the Form 1 in this space. We may return any filing that does not have your signature. Single-employer plans - see Items 10 and 11 of Schedule A to Form 1.

Part H GENERAL INSTRUCTION FOR SCHEDULE A

The instructions in this part give you the general instructions and requirements for filling out the Schedule A that must be attached to each Form 1 for each single-employer plan.

A key point to filling out the Schedule A is the requirement for you to select a "Filing Method" for your plan. Your plan may be eligible for more than one filing method. However, you may select only one filing method. Under some filing methods, it may take more time to complete the Schedule A than under others. Some methods require the services of an enrolled actuary.

In order that you may take advantage of the filing method that best suits your needs, we urge you to

review this part carefully before completing the Schedule A.

The specific instructions for each line of the Schedule A are in Part I, Line-By-Line Instructions for Schedule A.

1. General Requirements

All single-employer plans must complete Schedule A of the PBGC Form 1. You will use Schedule A to determine the amount of the variable rate portion of the premium. For some plans, the amount will be $0. The variable rate portion, including a $0 amount, must be entered on both the Schedule A, line 9, and on the Form 1, Line 15(b). You, and in some cases an enrolled actuary, must certify that the variable rate portion is correct, even if the amount is $0.

The per participant variable rate portion of the premium is $6 per $1,000, or fraction thereof, of unfunded vested benefits as of the last day of the plan year preceding the premium payment year, divided by the number of plan participants. The vested benefits must be valued using an interest rate required by ERISA. (See Part H.7.)

The variable rate portion may not exceed $34 per participant. The $34 maximum figure is reduced by $3 for each of the five plan years preceding the plan year beginning in 1988 for which the maximum deductible contributions to the plan were made.

2. Failure To File Schedule A

If you fail to file a completed and signed Schedule A, the variable rate amount due will be the maximum $34 per participant charge and you will be billed for that amount plus penalties and interest, as applicable.

3. Computation Date For The Variable Rate Portion Of The Premium

The date for the computation or determination of the variable rate portion of the premium is generally the last day of the plan year preceding the premium payment year and is the same date as the participant count date.

However, for new or newly covered plans, plans that are transferee plans in a merger (other than a <u>de minimis</u> merger) that is effective on the first day of the plan's premium payment year, and plans that are transferor plans in a spinoff (other than a <u>de minimis</u> spinoff) that is effective on the first day of the plan's premium payment year, the "first day of the premium payment year (or, in the case of a new or newly covered plan, the date on which the plan became effective for benefit accruals for future service, if later)" should be substituted for the "last day of the plan year preceding the premium payment year" whenever that latter date is used in Parts H and I of these instructions. This exception is the same as the exception for the participant count date for the same situations; see Part G, Item 13, for additional information and examples.

4. Filing Methods

You determine the variable rate portion of the premium on Schedule A under the "General Rule" or under an optional filing method.

All single-employer plans are eligible to use the "General Rule." The General Rule requires a determination of vested benefits and assets and a determination of unfunded vested benefits by an enrolled actuary as of the last day of the plan year preceding the premium payment year. (For a more complete description of the requirements, see 5.a. below.)

To avoid the expense that might be involved in using the General Rule, you may wish to consider using an optional filing method. Review the requirements for each method to see if you can or wish to use it.

The first optional filing method - the Alternative Calculation Method - requires only an adjustment of amounts determined as of the first day of the plan year preceding the premium payment year that were reported in the plan's Form 5500, Schedule B.

If you file under optional filing methods on lines 1(c)(1) through 1(c)(5), you do not have to determine or calculate unfunded vested benefits and you do not have to pay a variable rate portion of the premium.

The optional filing method on line 1(d) is a variation of the Alternative Calculation Method for plans terminating in distress or involuntary terminations. It uses the Schedule B for the termination plan year or, if unavailable, for the preceding plan year.

If you use the optional filing method on line 1(e) for the Maximum Variable Rate premium, you do not need to complete lines 2 through 6 of the Schedule A. You also generally do not need an enrolled actuary certification. (The only instance in which an enrolled actuary certification is required is where a plan pays the maximum premium based on a claimed entitlement to the cap reduction under the special rule for nonprofit entities. See Part I, Subpart 2, line 7.)

The optional filing methods are listed below with the line numbers on Schedule A.

<u>LINE</u>	<u>OPTIONAL FILING METHODS</u>
1(b)	Alternative Calculation Method (See 5.b. below.)
1(c)(1)	Plans with no vested participants (See 5.c.(i) below.)
1(c)(2)	Section 412(i) plans (See 5.c.(ii) below.)
1(c)(3)	Fully funded small plans (under 500 participants) (See 5.c.(iii) below.)
1(c)(4)	Plans terminating in standard termination (See 5.c.(iv) below.)
1(c)(5)	Plans at Full Funding Limit (See 5.c.(v) below.)
1(d)	Plans terminating in distress or involuntary termination (See 5.d. below.)
1(e)	Small plans (under 500 participants) paying maximum variable rate premium (See 5.e. below.)

5. Requirements For Filing Method Selection

Listed below are the requirements for the filing methods and the location of the line-by-line instructions for completing Schedule A under each of the filing methods.

All the filing methods require the plan administrator to certify to the correct completion of Form 1 and Schedule A, and that any information given to the enrolled actuary is true, correct and complete. Additional certifications are noted below.

a. <u>General Rule</u>. Under the General Rule, an enrolled actuary determines the amount of unfunded vested benefits as of the last day of the plan year preceding the premium payment year, in accordance with generally accepted actuarial principles and practices. A plan's unfunded vested benefits equal the excess of: (1) the plan's current liability (within the meaning of ERISA section 302(d)(7)) determined by taking into account only vested benefits and valued at the Required Interest Rate described in Part H.7. of these instructions, over (2) the actuarial value of the plan's assets determined in accordance with ERISA section 302(c)(2) without a reduction for any credit balance in the plan's funding standard account.

(i) *General Requirements*: The determination under the General Rule must reflect the plan's population and provisions as of the last day of the plan year preceding the premium payment year. The enrolled actuary must make the determination using the same actuarial assumptions and methods used by the plan for purposes of determining the minimum funding contributions under section 302 of ERISA and section 412 of the Code for the plan year preceding the premium payment year (or, in the case of a new or newly covered plan, for the premium payment year), except to the extent that other actuarial assumptions are specifically prescribed by these instructions or are necessary to reflect the occurrence of a significant event described in Part H.6. below, between the date of the funding valuation and the last day of the plan year preceding the premium payment year. (If the plan does a funding valuation as of the last day of the plan year preceding the premium payment year, no separate adjustment for significant events is needed.)

The value of vested benefits must be determined using an interest rate prescribed by

ERISA. This interest rate is 80% of the annual yield on 30-year Treasury constant maturities, as reported in Federal Reserve Statistical Release G.13 or H.15, for the calendar month preceding the calendar month in which the plan year begins. (See Part H.7. of these instructions for further information on the Required Interest Rate.)

Under this rule, the determination of the unfunded vested benefits may be based on a plan funding valuation done as of the first day of the premium payment year, provided that --

(A) the actuarial assumptions and methods used are those used by the plan for purposes of determining the minimum funding contributions under section 302 of the Act and section 412 of the Code for the premium payment year, except to the extent that other actuarial assumptions are specifically prescribed by these instructions or are required to make the adjustment described in paragraph (B) below; and

(B) if an enrolled actuary determines that there is a material difference between the values determined under the valuation and the values that would have been determined as of the last day of the preceding plan year, the valuation results are adjusted to reflect appropriately the values as of the last day of the preceding plan year. (This adjustment need not be made if the unadjusted valuation would result in greater unfunded vested benefits.)

(ii) *Certification Requirement (in addition to general plan administrator certification)*: In all cases under the General Rule, an enrolled actuary must certify to the determination of the variable rate portion of the premium. In addition --

(A) in the case of a large plan (500 or more participants), if the enrolled actuary

-- determines that the actuarial value of plan assets equals or exceeds the value of all accrued benefits (valued at the Required Interest Rate described in Part H.7 of these instructions); and

-- elects to report the value of accrued benefits in lieu of the value of vested benefits on line 2(a) of Schedule A,

the enrolled actuary must certify to having done so on line 11(a) of Schedule A.

(B) If

-- each interest rate used by the plan to value current liability was not greater than the Required Interest Rate described in Part H.7.; and

-- the enrolled actuary reports the value of vested benefits at the plan's interest rate(s) on line 2(b) of Schedule A,

the enrolled actuary must certify to the above on line 11(c) of Schedule A.

(C) In the case of a plan maintained by a nonprofit entity, if an enrolled actuary determines that the plan qualifies for the per participant cap reduction under the special rule for nonprofit entities, the enrolled actuary must so certify on line 11(d) of Schedule A.

(iii) *Size Requirement*: Plans with any number of participants may use this method.

(iv) *Instructions*: For line-by-line instructions for completing Schedule A, see Part I, Subpart 1 of these instructions.

(v) *Schedule A Filing Method*: Check the box on line 1(a).

b. Alternative Calculation Method. This method is a simplified method intended to approximate the more precise determinations of the General Rule. It uses two formulae to calculate unfunded vested benefits as of the last day of the plan year preceding the premium payment year.

The first formula adjusts the value of vested benefits for participants in pay status and deferred vested participants, as reported on Schedule B of the Form 5500 as of the first day of the plan year preceding the premium payment year, using the Required Interest Rate prescribed by ERISA. Part H.7. of these instructions tells you where to find the Required Interest Rate.

The second formula adjusts the resulting unfunded vested benefits figure for the passage of time from the first day of the plan year preceding the premium payment year to the last day of the plan year preceding the premium payment year. The adjustment is necessary because, for premium purposes, unfunded vested benefits are determined as of the last day of the plan year preceding the premium payment year. See the line-by-line instructions in Part I, Subpart 2, lines 2(b) and 4, for the two formulae.

If the Alternative Calculation Method is used by a plan that has 500 or more participants as of the last day of the plan year preceding the premium payment year, an enrolled actuary must adjust the unfunded vested benefits to reflect the occurrence of any significant event during the plan year preceding the premium payment year. See Part H.6. for a list of significant events.

(i) *General Requirements*: To use the Alternative Calculation Method, a plan must have filed a Form 5500, Schedule B, for the plan year preceding the premium payment year, that has -

(A) vested benefit values reported on lines 6d(i), 6d(ii), and 6d(iii);

(B) the interest rates used to determine the vested benefit values reported on line 12c;

(C) the assumed retirement age reported on line 12d; and

(D) assets reported on line 8b or 6c.

(ii) *Certification Requirements (in addition to general plan administrator certification)*: If -

(A) each interest rate used to determine the entries in lines 6d(i), 6d(ii) and 6d(iii) of the Schedule B was no greater than the interest rate described in Part H.7. of these instructions; and

(B) the plan administrator reports the value of vested benefits at the plan's rate(s) on line 2(b) of Schedule A, the plan administrator must certify to the above on line 10(c) of Schedule A.

For plans with 500 or more participants, an enrolled actuary must certify on line 11(b) that the unfunded vested benefits have been adjusted for the occurrence, if any, of a significant event and that the adjustment is consistent with generally accepted actuarial principles and practices.

In the case of a plan maintained by a nonprofit entity that is claiming entitlement to the cap reduction, an enrolled actuary must certify on line 11(d) that the plan meets the requirements for doing so, as described under the instructions for line 7 in Subpart 2 of Part I.

(iii) *Size Requirements*: Plans with any number of participants may use this method. However, plans with 500 or more participants that use this method must report unfunded vested benefits that reflect the occurrence, if any, of significant events listed in Part H.6.

(iv) *Instructions*: For line-by-line instructions for completing Schedule A, see Part I, Subpart 2, of these instructions.

(v) *Schedule A Filing Method*: Check the applicable box on line 1(b). If your plan has fewer than 500 participants, check the box on line 1(b)(1). If your plan has 500 or more participants, check the box on line 1(b)(2).

c. Plans Exempt From Variable Rate Portion of Premium. Certain categories of plans are not required to determine or report vested benefits, assets or unfunded vested benefits on Schedule A, or to pay a variable rate portion of the premium. These plans are required only to complete lines 1 and 9 on the Schedule A indicating that the plan comes within one of the exempted categories and to provide the appropriate plan administrator or enrolled actuary certification.

(i) *Plans with No Vested Participants*. If a plan has no vested participants as of the last day of the plan year preceding the premium payment year, the plan administrator may use this filing method and report $0 unfunded vested benefits on the Schedule A.

(A) General Requirements: To use this rule a plan must have had no vested participants as of the last day of the plan year preceding the premium payment year. PBGC will accept that if there are no vested participants, there are no vested benefits and no unfunded vested benefits.

(B) Certification Requirement (in addition to general plan administrator certification): The plan administrator must certify that there were no vested participants.

(C) Size Requirement: Plans with any number of participants may use this method.

(D) Instructions: For line-by-line instructions for completing Schedule A, see Part I, Subpart 3, of these instructions.

(E) Schedule A Filing Method: Check the box on Schedule A, Line 1(c)(1).

(ii) *Section 412(i) Plans*. Plans described in section 412(i) of the Internal Revenue Code and regulations thereunder are not subject to the variable rate premium charge and report $0 unfunded vested benefits on Schedule A.

(A) General Requirements: To use the section 412(i) plan rule, a plan must be a plan described in section 412(i) of the Code and the regulations thereunder at all times during the plan year preceding the premium payment year. If the plan is a new or newly covered plan, it must be a 412(i) plan at all times during the premium payment year through the due date for the variable rate portion of the premium.

(B) Certification Requirement (in addition to general plan administrator certification): The plan administrator must certify that the plan is a 412(i) plan.

(C) Size Requirement: Plans with any number of participants may use this method.

(D) Instructions: For line-by-line instructions for completing Schedule A, see Part I, Subpart 4, of these instructions.

(E) Schedule A Filing Method: Check the box on Schedule A, Line 1(c)(2).

(iii) *Fully Funded Small Plans*. Under this rule, an enrolled actuary certifies that the plan has no unfunded vested benefits. No computations of unfunded vested benefits need be reported. The enrolled actuary simply reports $0 unfunded vested benefits on Schedule A.

(A) General Requirements: To use this rule, a plan must have fewer than 500 participants as of the last day of the plan year preceding the premium payment year and no unfunded vested benefits as of that date (valued at the Required Interest Rate described in Part H.7. of these instructions).

(B) Certification Requirements (in addition to general plan administrator certification): The enrolled actuary must certify on line 11(e) that the plan had fewer than 500 participants and that the plan had no unfunded vested benefits as of the last day of the plan year preceding the premium payment year (valued at the Required Interest Rate described in Part H.7. of these instructions).

(C) Size Requirement: Only plans with fewer than 500 participants on the last day of the plan year preceding the premium payment year may use this method.

(D) Instructions: For line-by-line instructions for completing Schedule A, see Part I, Subpart 5, of these instructions.

(E) Schedule A Filing Method: Check the box on Schedule A, Line 1(c)(3).

(iv) *Plans Terminating in Standard Terminations*. Under this exemption, plans terminating in standard terminations are not subject to the variable rate premium charge and report $0 unfunded vested benefits on Schedule A.

(A) General Requirements: Plans that issued a notice of intent to terminate in a standard termination in accordance with section 4041(a)(2) of ERISA, setting forth a proposed date of termination (i.e., the 60-day prospective date) that is on or before the last day of the plan year preceding the premium payment year may use this method.

If the plan does not ultimately make a final distribution of assets in full satisfaction of its obligations under the standard termination, the right to use this filing method will be revoked and the premium(s) that would otherwise have been required will be due retroactive to the applicable due date(s).

(B) Certification Requirement (in addition to general plan administrator certification): None. Only the general plan administrator certification is required.

(C) Size Requirement: Plans with any number of participants may use this method.

(D) Instructions: For line-by-line instructions for completing Schedule A, see Part I, Subpart 6, of these instructions.

(E) Schedule A Filing Method: Check the box on Schedule A, line 1(c)(4).

(v) *Plans at the full funding limit*. Under this exemption, plans with respect to which additional deductible contributions could not have made for the plan year preceding the premium payment year because of the full funding limit are exempt from the variable rate portion of the premium and should report $0 unfunded vested benefits on Schedule A.

(A) General Requirements: Plans may use this method if, on or before the earlier of the due date for payment of the variable rate portion of the premium (see Part C) or the date that portion is paid, the plan's contributing sponsor or contributing sponsors made contributions to the plan for the plan year preceding the premium payment year in an amount not less than the full funding limitation for that preceding premium

payment year under section 412(c)(7) of the Internal Revenue Code.

The determination of whether contributions for the preceding plan year were in an amount nqt less than the full funding limitation under section 412(c)(7) of the Code for the preceding plan year is based on the methods of computing the full funding limitation, including actuarial assumptions and funding methods, used by the plan (provided these assumptions and methods met all requirements, including the requirements for reasonableness, under section 412 of the Code) with respect to the preceding plan year. In the event of a PBGC audit, the plan administrator may be required to provide documentation to establish both the computation methods used and the conformance of those methods with the requirements of Code section 412. The PBGC will report to the Internal Revenue Service any plans using assumptions and methods that appear not to meet the requirements of the Code section 412.

A plan may be entitled to this exemption if contributions were rounded down slightly from the amount of the full funding limitation. Thus, any contribution that is rounded down to no less than the next lower multiple of one hundred dollars (in the case of full funding limitations up to one hundred thousand dollars) or to less than the next lower multiple of one thousand dollars (in the case of full funding limitations above one hundred thousand dollars) is deemed for purposes of this exemption to be in an amount equal to the full funding limitation. (NOTE: Relief may also be available where the plan's actuary rounded off *de minimis* amounts to determine the full funding limit. Whether the exemption applies in such circumstances would be determined under the rule discussed in the preceding paragraph, based on a review of the plan's practice with respect to the computation methods used.)

(B) Certification Requirement (in addition to general plan administrator certification): The enrolled actuary must certify on line 11(f) that the plan has met the general requirements described above.

(C) Size Requirement: Plans with any number of participants may use this method.

(D) Instructions: For line-by-line instructions for completing Schedule A, see Part I, Subpart 7, of these instructions.

(E) Schedule A Filing Method: Check the box on Schedule A, line 1(c)(5).

(F) Special Rules for 1988 and 1989 Overpayments: Plans that would have met the requirements for this filing method for the 1988 or 1989 premium (or that would have met the requirements except that contributions were made after the earlier of the date the premium was paid or the premium due date, but before the contribution due date under section 412 of the Code) may apply the overpayment as a credit against the 1990 premium or request a refund of the overpayment.

To request a refund or claim a credit, you must file an amended Form 1 and Schedule A with an actuarial certification as required in (B) above and as shown on the 1990 Schedule A. (See Part E.)

To Credit your overpayment against the 1990 premium, you must have filed amended 1988 or 1989 forms by the time you file the 1990 forms. (You may file the amended forms in the same envelope as the 1990 forms.)

d. Plans Terminating In Distress Or Involuntary Terminations. Under this special rule, plans terminating in distress or involuntary terminations may use a modified version of the Alternative Calculation Method.

(i) *General Requirements*: The following plans may use this method:

-- Plans that issue notices of intent to terminate in a distress termination in accordance with ERISA section 4041(a)(2) setting forth a proposed termination date that is on or before the last day of the plan year preceding the premium payment year; or

-- Plans for which the PBGC has initiated proceedings for an involuntary termination and has sought a termination date on or before the last day of the plan year preceding the premium payment year.

Some plans terminating in distress or involuntary terminations may not have filed the Schedule B for the plan year preceding the premium payment year and therefore would not be able to use the Alternative Calculation Method to calculate unfunded vested benefits. This filing method allows such plans to calculate unfunded vested benefits under a variation of the Alternative Calculation Method that uses vested benefit values and asset values from an earlier Schedule B than under the Alternative Calculation Method. The Schedule B used under this special rule must be for the plan year that includes (in the case of an distress termination) the proposed date of termination or (in the case of an involuntary termination) the termination date sought by the PBGC, or, if no Schedule B is filed for that plan year, the Schedule B for the preceding plan year. The Schedule B must

have the entries required for the Alternative Calculation Method, as described in Part H.5.b.(i) of these instructions. (NOTE: Line item references are to the 1989 Schedule B. If your Schedule B is for an earlier year with different line numbers, use the corresponding entries.)

NOTE: This method assumes (in the case of a distress termination) that the PBGC has not disapproved the termination or (in the case of an involuntary termination) that the PBGC 's petition for involuntary termination has not been denied, dismissed or withdrawn. At such time as any of these events occurs, the plan will be treated as an ongoing plan and must file amended premium forms using another permitted filing method.

(ii) *Certification Requirement (in addition to general plan administrator certification)*: Same as for Alternative Calculation Method. (See Part H.5.b.(ii) of these instructions.)

(iii) *Size Requirement*: Same as for Alternative Calculation Method. (See Part H.5.b(iii) of these instructions.)

(iv) *Instructions*: For line-by-line instructions for completing Schedule A, see Part I, Subpart 8, of these instructions.

(v) *Schedule A Filing Method*: Check the box on Schedule A, line 1(d).

e. Small Plans Paying Maximum Variable Rate Premium. Plans that are required to pay the maximum variable rate portion of the premium or that choose to do so, rather than compute their unfunded vested benefits under the General Rule or the Alternative Calculation Method, can use this filing method. Plans choosing this method do not need to complete lines 2 through 6 of the Schedule A.

(i) *General Requirements:* Plans may use this method if they pay the maximum per participant variable rate amount. That amount is generally $34, but may be less if the plan qualifies for a reduction in the cap on the variable rate amount (see Part I. Subpart 2, Line 7.)

(ii) *Certification Requirement (in addition to general plan administrator certification):* Generally none. However, an enrolled actuary certification is required on line 11(d) where a plan pays the maximum variable rate amount based on a claimed entitlement to the cap reduction under the special rule for nonprofit entities. (See Part I, Subpart 2, Line 7.) In all other instances, only the general plan administrator certification is required.

(iii) *Size Requirements:* Plans with fewer than 500 participants may use this method.

(iv) *Instructions:* For line-by-line instructions for completing Schedule A, see Part I, Subpart 9 of these instructions.

(v) *Schedule A Filing Method:* Check the box on Schedule A, Line 1(e).

6. Significant Events

a. General Rule. Plans filing under the General Rule must use actuarial assumptions and methods that reflect the occurrence, if any, of a significant event listed below between the date of the funding valuation for the plan year preceding the premium payment year and the last day of the plan year preceding the premium payment year.

b. Alternative Calculation Method. Plans with 500 or more participants filing under the Alternative Calculation Method are required to reflect in the value of unfunded vested benefits as of the last day of the plan year preceding the premium payment year the occurrence, if any, of a significant event listed below during the plan year preceding the premium payment year.

c. Distress Or Involuntary Terminations. Plans with 500 or more participants filing under the method for plans terminating in distress or involuntary terminations are required to reflect in the value of unfunded vested benefits as of the last day of the plan year preceding the premium payment year the occurrence, if any, of a significant event listed below between the first day of the plan year for which the Schedule B being used was filed and the last day of the plan year preceding the premium payment year.

d. Significant Events. In each of the above circumstances, the plan's enrolled actuary must make appropriate adjustments to reflect the occurrence of any significant event.

The Significant Events are:

(1) an increase in the plan's actuarial costs (consisting of the plan's normal cost under section 412(b)(2)(A) of the Code, amortization charges under section 412(b)(2)(B) of the Code, and amortization credits under section 412(b)(3)(B) of the Code) attributable to a plan amendment, unless the cost increase attributable to the amendment is less than 5% of the actuarial costs determined without regard to the amendment;

(2) the extension of coverage under the plan to a new group of employees resulting in an increase of 5% or more in the plan's liability for accrued benefits;

(3) a plan merger, consolidation or spinoff that is not de minimis pursuant to the regulations under section 414(l) of the Code;

(4) the shutdown of any facility, plant, store, etc., that creates immediate eligibility for benefits that would not otherwise be immediately payable for participants separating from service;

(5) the offer by the plan for a temporary period to permit participants to retire at benefit levels greater than that to which they would otherwise be entitled;

(6) a cost-of-living increase for retirees resulting in an increase of 5% or more in the plan's liability for accrued benefits; and

(7) any other event or trend that results in a material increase in the value of unfunded vested benefits.

7. Required Interest Rate For Valuing Vested Benefits

The following table - taken from Appendix B to the PBGC's premium regulation - lists the Required Interest Rates to be used in valuing a plan's vested benefits under the General Rule, the Alternative Calculation Method, and the method for plans terminating in distress or involuntary terminations. The table contains all interest rates available when these instructions were printed.

PBGC updates Appendix B in the Federal Register on a quarterly basis, by publishing the rates for November through January on or about January 15, for February through April on or about April 15, for May through July on or about July 15, and for August through October on or about October 15. PBGC makes interest rate information available through a telephone hot line, (202) 778-8899. Additionally, the National Technical Information Service provides PBGC interest rates through a subscription service. For further information contact:

Pension Benefit Guaranty Corporation
Communication and Public Affairs Department
2020 K Street, NW
Washington, DC 20006-1860
Telephone (202) 778-8840
or
U.S. Department of Commerce
NTIS
Springfield, VA 22164
Order No. PB89-9244000-ACM

Plan administrators are also notified of the Required Interest Rate for the premium payment year on the mailing label on these instructions. The top line of the mailing label on your premium payment package shows the Required Interest Rate for your plan. The rate is determined by the month in which your plan year begins. Check the month on the mailing label to make sure it corresponds to the first month of your plan year.

For Premium Payment Years Beginning In	The Required Interest Rate is [1]
January 1990	6.32
February 1990	6.61
March 1990	6.80
April 1990	6.85
May 1990	7.01
June 1990	

[1] The required interest rate listed above is equal to 80% of the annual yield for 30-year Treasury constant maturities, as reported in Federal Reserve Statistical Release G.13 and H.15, for the calendar month preceding the calendar month in which the premium payment year begins.

Example If the first month of the premium payment year is January 1990, use the Appendix B required interest rate for January 1990, of 6.32 percent.

Part I LINE-BY-LINE INSTRUCTIONS FOR SCHEDULE A

The instructions in this Part are divided into a separate Subpart for each one of the Filing Methods shown on line 1 of Schedule A.

To determine which filing method your plan may use, see Part H.5., Requirements for Filing Method Selection.

You will only need to follow the instructions in the Subpart for the filing method you select. Each Subpart has all the instructions you will need to fill out each line on the Schedule A for the filing method you use.

Some filing methods do not require that all lines on the Schedule A be completed. For those methods, we have only provided instructions for the lines that do need to be competed.

Below is an index to the Subparts in this part. On the left under *"FILING METHOD"* are the filing methods with the appropriate box for you to check on Schedule A, line 1, to indicate your choice. On the right under *"SUBPART"* is the appropriate Subpart in this Part with the line-by-line instructions.

Index to Part I Subparts

Subpart 1 GENERAL RULE

Be sure to read Part H.5.a. carefully, in addition to the following line-by-line instructions.

Line 1 Filing Method

If you use the General Rule, you must check the box on line 1(a). If you use the accrued benefits rule for plans with 500 or more participants for line 2(a), check the box on line 1 and have the enrolled actuary initial the box on line 11(a) as part of the required certification for all plans using the General Rule.

Line 2 Present Value Of Vested Benefits

You must report on line 2 the value of the plan's vested benefits. The value of a plan's vested benefits for premium purposes equals the amount of a plan's current liability (within the meaning of section 302(d)(7) of ERISA) determined by taking into account only vested benefits. You must report on line 2(a) the value of vested benefits using the plan's interest rate for determining current liability, and on line 2(b) the value of vested benefits using the Required Interest Rate.

Relief Rule Accrued Benefit Relief Rule For Large Plans

This is a special rule providing relief from determining vested benefits for certain plans that had 500 or more participants on the last day of the plan year preceding the premium payment year.

If an enrolled actuary determines that the Total Value of Plan Assets on line 3(d) equals or exceeds the value of *all* benefits accrued under the plan (using plan assumptions, except that the benefits must be valued at the Required Interest Rate as defined in the instructions to Line 2(b)), the enrolled actuary need not determine the value of the plan's vested benefits. The actuary may instead report on lines 2(a)

the value of accrued benefits using the plans's assumptions and on 2(b) the value of accrued benefits adjusted only for the Required Interest Rate.

If you use this rule, check the box on line 1(a)(2) and have the enrolled actuary initial box (a) on line 11.

Relief Rule — Interest Adjustment Relief Rule

If the Required Interest Rate for your plan is equal to or greater than the plan interest rate (or, in the case of multiple interest rates, all rates) used to value the benefits entered on line 2(a), you may enter on line 2(b) the same amounts you entered on line 2(a).

If you use this relief rule for line 2(b), the enrolled actuary for the plan must initial box (c) on line 11.

Determination Date

Enter the date as of which vested benefits were valued for premium purposes. The valuation date *must* be *either* the first day of the premium payment year *or* the last day of the plan year preceding the premium payment year

Assumed Retirement Age

Enter the assumed retirement age used to determine the present value of vested benefits for participants and beneficiaries not receiving payments.

Required Interest Rate

Enter the Required Interest Rate (See Part H.7. of these instructions) that must be used by the plan to value vested benefits for premium purposes.

Accrual Factor

The accrual factor refers to the benefit accrual adjustment, which does not apply to plans using the General Rule. Do not enter anything in this space.

Line 2(a)(1) Plan Value of Vested Benefits - Those Receiving Payments

In the "Value" column, enter the present value of vested benefits for retirees and beneficiaries receiving payments.

In the "Interest Rate" column, enter the current liability interest rate used to determine that present value. (If more than one interest rate was used, the rate entered must be a weighted average composite rate.)

Line 2(a)(2) Plan Value of Vested Benefits - Those *Not* Receiving Payments

In the "Value" column, enter the present value of vested benefits for participants and beneficiaries *not* receiving payments. This includes all active vested participants and separated participants with deferred vested benefits.

In the "Interest Rate" column, enter the current liability interest rate used to determine that present value. (If more than one interest rate was used, the rate entered must be a weighted average composite rate.)

Line 2(a)(3) Total Plan Value Of Vested Benefits

Enter the total amount of the present value of vested benefits determined with the plan's actuarial assumptions. This is the total of line 2(a)(1) plus line (2)(a)(2).

Line 2(b) Adjusted Value Of Vested Benefits

You must report on line 2(b) the adjusted value of vested benefits using the Required Interest Rate entered on line 2. The determination of the adjusted value must meet all the requirements set forth in Part H.5.a. of these instructions.

Line 2(b)(1) Adjusted Value Of Vested Benefits - Those Receiving Payments

Enter the adjusted present value of vested benefits for retirees and beneficiaries receiving payments, determined by adjusting the amount on line 2(a)(1) in accordance with the requirements set forth in Part H.5.a. of these instructions.

Line 2(b)(2) Adjusted Value Of Vested Benefits - Those Not Receiving Payments

Enter the adjusted present value of vested benefits for participants *not* receiving payments, determined by adjusting the amount on line 2(a)(2) in accordance with the requirements set forth in Part H.5.a. of these instructions.

Line 2(b)(3) Total Adjusted Vested Benefits

Enter the total amount of the present value of adjusted vested benefits. This is the sum of line 2(b)(1) plus line 2(b)(2).

Line 3 Value Of Plan Assets

Line 3(a) Value Of Plan Assets As Of Determination Date

Enter the date as of which assets were valued for premium purposes. The date must be the same as the determination date you entered on line 2.

Enter the actuarial value of the plan's assets determined in accordance with ERISA section 302(c)(2) without a reduction for any credit balance in the funding standard account. You may not include on line 3(a) contributions for the premium payment year or later, whether or not made. Adjust all receipts and disbursements for interest.

Line 3(b) Contribution Receivables In Line 3(a)

Enter the sum of employer and employee contribution receivables that were included in the line 3(a) amount.

Line 3(c) Discounted Paid Contributions

For plans with fewer than 500 participants, this line is optional; you may go to line 3(d). If you do not complete this line, you may understate the adjusted value of assets you will report on line 3(d). If this would affect the amount of the variable rate premium that the plan owes, you may wish to complete line 3(c).

Enter on line 3(c) the discounted value, as of the determination date entered on line 3, of those employer and employee contributions for plan years prior to the premium payment year that were either reported on line 3(b) (because they were included as receivables in the line 3(a) amount) or that were not included (as receivables or otherwise) in the Line 3(a) amount. However, do not include in line 3(c) any contributions that are for the premium payment year or any contributions that have not been paid on or before the earlier of the premium due date or the date the premium is paid.

The plan asset valuation rate must be used to discount contributions, on a simple or compound basis in accordance with the plan's discounting rules.

Line 3(d) Adjusted Value Of Plan Assets

Enter the sum of line 3(a), minus line 3(b), plus line 3(c).

Line 4 Adjusted Unfunded Vested Benefits

The adjusted unfunded vested benefits is the excess, if any, of the Total Adjusted Vested Benefits entered on line 2(b)(3) over the Adjusted Value of Plan Assets entered on line 3(d).

If line 2(b)(3) is *less* than line 3(d), enter $0 here and go to line 9 and enter $0; if not, subtract line 3(d) from line 2(b)(3), round up to the next $1,000, and enter here.

An enrolled actuary must certify that the determination of unfunded vested benefits was made in a manner consistent with generally accepted actuarial principles and practices. The certification is made by signing and completing line 11.

Line 5 Multiply Line 4 By 0.006

Multiply the adjusted unfunded vested benefit amount on line 4 by 0.006 and enter on line 5.

Line 6 Divide Line 5 By The Participant Count

Enter the participant count from Form 1, line 13. Divide the amount on line 5 by this number and enter. Round to the nearest cent. This is the initial per participant variable rate portion of the premium, but it may be reduced by the calculation on line 7.

Line 7 Per Participant Cap

The instructions for line 7 are the same as under the Alternative Calculation Method. See Part I, Subpart 2, line 7.

Line 8 The Lesser Of Line 6 Or 7

Enter the *lesser* of line 6 or line 7. This is the per participant variable rate portion of your premium payment.

Line 9 Variable Rate Portion Of The Premium

Enter on line 9 and on Form 1, line 15(b), the variable rate portion of the premium. You have two alternatives:

a. If you have a plan with Adjusted Unfunded Vested Benefits shown on line 4, enter the line 8 amount multiplied by the participant count from Form 1, Line 13. Also enter the participant count on line 9(a).

b. If you have a plan that has *NO* Adjusted Unfunded Vested Benefits shown on line 4, enter $0.

Line 10 Plan Administrator Certification

As plan administrator, you must personally sign and date the certification in the space provided. We may return any filing that does not have your signature. Under the General Rule, the plan administrator is not required to initial any of the boxes on line 10.

Line 11 Enrolled Actuary Certification

An enrolled actuary must personally sign, date and enter his or her enrollment number and address in the space provided on the certification on line 11. If the box on line 1(a) was checked indicating the Accrued Benefit Relief Rule for line 2 was used, an enrolled actuary must initial box (a) on line 11. If the Interest Adjustment Relief Rule was used for line 2, an enrolled actuary must initial box (c) on line 11. If the

line 7, Special Rule 5 for the reduced per participant cap for nonprofit entities was used, an enrolled actuary must initial box (d) on line 11.

Subpart 2 ALTERNATIVE CALCULATION METHOD

Line 1 Filing Method

If you use the Alternative Calculation Method, you must check one of the boxes on line 1(b).

If your plan has fewer than 500 participants, check box 1(b)(1).

If your plan has 500 or more participants, check box 1(b)(2). You will need to have your enrolled actuary sign the certification on line 11

Line 2 Present Value Of Vested Benefits

Determination Date

Enter the date as of which the vested benefits for the 1989 Form 5500, Schedule B, line 6d, were valued. That date must be the first day of the 1989 plan year. If it is not, you cannot use the Alternative Calculation Method.

Assumed Retirement Age

Enter the assumed retirement age used to determine the present value of vested benefits for participants and beneficiaries *not* receiving payments. The entry must be the same as the retirement age actuarial assumption reported on the 1989 Form 5500, Schedule B, line 12d, in the Pre-retirement column.

Required Interest Rate

Enter the Required Interest Rate (see Part H.7. of these instructions) that must be used to determine the adjusted present value of vested benefits.

Accrual Factor

The accrual factor refers to the benefit accrual adjustment factor of 1.07 that you use in the "Line 2(b)(3) Procedure."

Line 2(a)(1) Plan Value Of Vested Benefits - Those Receiving Payments

In the "Value" column, enter the present value of vested benefits for retirees and beneficiaries receiving payments, determined as of the first day of the 1989 plan year. The amount entered must be the same as the amount reported on the 1989 Form 5500, Schedule B, line 6d(i), in the Vested Benefits column, "Current liabilities as of beginning of plan year for retired participants and beneficiaries receiving payments."

In the "Interest Rate" column, enter the plan interest rate used to determine the present value of vested benefits for retirees and beneficiaries receiving payments. The interest rate must be the same as the current liability interest rate reported on the 1989 Form 5500, Schedule B, line 12c(i), in the Post-retirement column.

Line 2(a)(2) Plan Value Of Vested Benefits - Those *Not* Receiving Payments

In the "Value" column, enter the present value of vested benefits for participants *not* receiving payments, determined as of the first day of the 1989 plan year. This includes all active vested participants and separated participants with deferred vested benefits. The amount entered must be the sum of the following two amounts reported on the 1989 Form 5500, Schedule B:

a. Line 6d(ii), in the Vested Benefits column, "Current liabilities as of beginning of plan year for terminated vested participants", and

b. Line 6d(iii), in the Vested Benefits column, "Current liability as of the beginning of the plan year for active participants".

In the "Interest Rate" column, enter the plan interest rate used to determine the present value of vested benefits for participants *not* receiving payments. The interest rate must be the same as the current liability interest rate reported on the 1989 Form 5500, Schedule B, line 12c(I), in the Pre-retirement column.

Line 2(a)(3) Total Plan Value Of Vested Benefits

Enter the total amount of the present value of vested benefits determined with the plan's actuarial assumptions. This is the total of line 2(a)(1) plus line (2)(a)(2). The amount entered must be the same as the amount on the 1989 Form 5500, Schedule B, line 6d(iv), "Current liability as of beginning of plan year: Total."

Line 2(b)(1) Adjusted Value Of Vested Benefits - Those Receiving Payments

Enter the adjusted present value of vested benefits for retirees and beneficiaries receiving payments, determined by adjusting the amount on line 2(a)(1) to value the benefits using the Required Interest Rate. To adjust the value of the benefits, you must use the formula in the "Line 2(b) Procedure" following line 2(b)(3) below.

Line 2(b)(2) Adjusted Value Of Vested Benefits - Those *Not* Receiving Payments

Enter the adjusted present value of vested benefits for participants *not* receiving payments, determined by adjusting the amount on line 2(a)(2) to add benefit accruals for the plan year preceding the premium payment year and to value the benefits using the Required Interest Rate. The adjustment for benefit accruals is 7% of the amount on line 2(a)(2). To add the benefit accruals and to adjust the value of the benefits using the Required Interest Rate, you must use the formula in the "Line 2(b) Procedure" following line 2(b)(3) (unless you qualify for the Interest Adjustment Relief Rule described below).

Line 2(b)(3) Total Adjusted Vested Benefits

Enter the total adjusted vested benefits. This amount is the total of line 2(b)(1) plus line 2(b)(2).

Line 2(b) Procedure - How To Compute Adjusted Vested Benefits

Relief Rule If the Required Interest Rate for your plan entered on line 2(b) is equal to or greater than *both* plan interest rates entered on lines 2(a)(1) and 2(a)(2), you do not have to use the formula below to calculate the adjusted value of vested benefits. However, you must adjust the amount entered on line 2(a)(2) by multiplying it by 1.07, the benefit accrual adjustment factor. Enter on line 2(b)(1) the same amount you entered on line 2(a)(1), and enter on line 2(b)(2) the adjusted line 2(a)(2) amount.

If you use this relief rule for line 2(b), you must initial box (c) on Line 10.

Procedure Use the formula below to compute the adjusted value of vested benefits that you must enter on line 2(b)(1), line 2(b)(2) and line 2(b)(3). Enter all interest rates in the formula as in the following example: Enter 6.75 percent as "6.75", not as ".0675"

The formula adjusts the values of vested benefits for retired participants and beneficiaries receiving benefit payments and for other participants not receiving benefits that you entered on line 2(a)(1) and line 2(a)(2) from your 1989 Form 5500, Schedule B. The formula adjusts your plan values to reflect the Required Interest Rate. The formula also adjusts for benefit accruals during the plan year preceding the premium payment year. You may wish to use the spaces provided as a work sheet.

One part of the formula, the expression "$.94^{(RIR - BIR)}$", may result in a fractional exponent and will result in a negative exponent when your plan's current liability interest rate is higher than the Required Interest Rate. You may use an optional procedure to substitute a factor for this expression. See "Procedure - How To Use Substitution Factors for the term "$.94^{(RIR - BIR)}$" below.

Formula for Total Adjusted Vested Benefits (line 2(b)(3)):

$$VB_{adj} = VB_{Pay} \times .94^{(RIR - BIR)} + \left(VB_{Nonpay} \times .94^{(RIR - BIR)} \times ((100 + BIA) / (100 + RIR))^{(ARA - 50)}\right)$$

Note: The VB Nonpay amount is the amount entered on Schedule A line 2(a)(2) <u>multiplied by 1.07</u> (the benefits accrual adjustment factor) to reflect accruals during the preceding plan year.

a. <u>Line 2(b)(1) amount</u> - Adjusted Vested Benefits for retirees and beneficiaries receiving payments.

$$\text{Line } 2(b)(1) = VB_{Pay} \times .94^{(RIR - BIR)}$$

b. <u>Line 2(b)(2) amount</u> - Adjusted Vested Benefits for participants *not* receiving payments.

$$\text{Line } 2(b)(2) = VB_{Nonpay} \times .94^{(RIR - BIR)} \times ((100 + BIA) / (100 + RIR))^{(ARA - 50)}$$

c. <u>Definitions.</u>

1. VB_{adj} is the adjusted vested benefits amount (as of the first day of the plan year preceding the premium payment year) under the Alternative Calculation Method .... $ ______
2. VB_{Pay} is the amount entered on line 2(a)(1) .... $ ______
   VB_{Nonpay} is the amount entered on line 2(a)(2) multiplied by 1.07 .... $ ______
4. RIR is the Required Interest Rate entered on line 2 .... ______ %
5. BIR is the current liability interest rate entered on line 2(a)(1) in the "Interest Rate" column ..... ______ %
6. BIA is the current liability interest rate entered on line 2(a)(2) in the "Interest Rate" column .... ______ %
7. ARA is the assumed retirement age entered on line 2 ..... ______ years

Procedure How To Use Substitution Factors for the term, "$.94^{(RIR - BIR)}$"

You may use "substitution factors" in the Alternative Calculation Method interest rate adjustment formula to replace the term "$.94^{(RIR - BIR)}$". The use of the "substitution factors" is *not* required; it is *optional*.

The use of the "substitution factors" may slightly overstate the present value of vested benefits and may overstate the amount of the variable rate portion of the premium. The PBGC has rounded all substitution factors up or down to produce the higher value of vested benefits. The impact of this rounding is minimal. At most, the rounding would overstate the value of vested benefits by less than 1%.

The substitution factors are in the Appendix. Use the substitution factor in Table A when RIR is equal to or greater than BIR rounded to the nearest hundredth. Use the substitution factor in Table B when BIR, rounded to the nearest hundredth, is greater than RIR.

Line 3 Value of Plan Assets

Line 3(a) Value Of Plan Assets As Of Determination Date

Enter the first day of the 1989 plan year. This is the date as of which you must report the value of plan assets.

Enter the value of assets as reported on the 1989 Schedule B, line 8b, *if* the date reported on the 1989 Schedule B, line 8b, is the first day of the 1989 plan year. *But*, if that date is *not* the first day of the 1989 plan year, enter the value of assets as of the first day of the 1989 plan year, as reported on line 6c of the same Schedule B.

Line 3(b) Contribution Receivables In Line 3(a)

Enter the sum of employer and employee contribution receivables that were included in the line 3(a) amount. On the 1989 Form 5500, this amount is the sum of Item 34b(i)(a) and 34b(ii)(a), "Current value of plan assets, receivables for employer and participant contributions as of the beginning of the plan year."

For plans that file a Form 5500-C/R, you may either calculate the contribution receivables amount (you must keep a record of your calculations) or you may enter the sum of the amounts reported on Form 5500-C, Item 30b, column (a), "Current value of plan assets, receivables as of the beginning of the plan year. NOTE: If the Item 30b, column (a), figure includes items in addition to contribution receivables, this will *understate* the adjusted value of assets you will report on line 3(d).

Line 3(c) Discounted Paid Contributions

For plans with fewer than 500 participants, this line is optional; you may go to line 3(d). If you do not complete this line, you may understate the adjusted value of assets you will report on line 3(d). If this would affect the amount of the variable rate premium that the plan owes, you may wish to complete line 3(c).

Enter on line 3(c) the discounted value of those employer and employee contributions paid for plan years prior to the premium payment year that were reported on line 3(b) (because they were included as receivables in the line 3(a) amount) or that were not included (as receivables or otherwise) in the line 3(a) amount. Do not include in line 3(c) any contributions that are for the premium payment year or any contributions that have not been paid on or before the earlier of the due date for the variable rate portion of the premium or the date that premium is paid.

The contributions must be discounted back to the first day of the 1989 plan year, and the discount rate you must use is the Required Interest Rate (RIR) entered on line 2. To discount your contributions, you must use the formula in the "Line 3 Procedure" below.

Procedure

Line 3 Procedure - How To Discount Contributions

You must use the formula below to discount each contribution included in line 3(c) from the date paid back to the date entered on line 3(a). The discounted contributions are entered on line 3(c).

The "discounted contribution" is computed by dividing the contribution paid by the "discount interest rate factor" for the discount period. The computation of the "discount interest rate factor" is based on the Required Interest Rate (RIR) entered on line 2. Thus, for example, if the RIR is 6.32%, "the discount interest rate factor" is 1.0632. The "discount period" is the number of days from the date the contribution was paid back to the date entered on line 3(a). As the exponent in the formula, the "discount period" adjusts the "discount interest rate factor" for periods of different durations. One year is 365/365 or 1. (The formula assumes a 365-day year.)

Discounted Contribution (DC) =

$$\text{Contribution} \,/\, \left[\left(1 + (\text{RIR} / 100)\right)^{(\text{DP} / 365)}\right]$$

where:

1. RIR is the Required Interest Rate entered on line 2 . . . . ____ %
2. DP is the discount period expressed as the number of days from the date the contribution was paid back to the date entered on line 3(c); for example, one year and 183 days would be 548 days . . . . ____

Example: A calendar year plan paying its 1990 premium made a $1,000 contribution on July 2, 1990 for the 1989 plan year. The discount period is July 2, 1990 to January 1, 1989, or 548 days. The RIR for plan years beginning in January 1990 is 6.32%. When Contribution = $1,000, RIR = 6.32% and the Discount Period (DP) = 548, the amount of the Discounted Contribution (DC) is computed as follows:

$$DC = \$1{,}000 \,/\, \left[\left(1 + (6.32/100)\right)^{(548 / 365)}\right]$$

$$DC = \$1{,}000 \,/\, \left[\left(1 + 0.0632\right)^{(1.50137)}\right]$$

$$DC = \$1{,}000 \,/\, \left[\left(1.0632\right)^{(1.50137)}\right]$$

$$DC = \$1{,}000 / 1.09637$$

$$DC = \$912.10$$

If the discount period for your plan includes a partial year, instead of using this formula for the entire period, you may use simple interest for the partial year and this formula for the full year(s), if any, in the discount period, and add the two results.

Line 3(d) Adjusted Value Of Plan Assets

Enter the sum of line 3(a) minus line 3(b) plus line 3(c).

Line 4 Adjusted Unfunded Vested Benefits

The Adjusted Unfunded Vested Benefits is the excess, if any, of the Total Adjusted Vested Benefits entered on line 2(b)(3) over the Adjusted Plan Assets entered on line 3(d), further adjusted for the passage of time from the determination date entered on line 2 to the last day of the 1989 plan year. To determine Adjusted Unfunded Vested Benefits, use the "Line 4 Procedure" below. You may wish to use the space provided as a work sheet.

Plans with fewer than 500 participants compute the Adjusted Unfunded Vested Benefits by using Step 1 and Step 2 of the "Line 4 Procedure" below and entering the result (UVB_{adj}) on line 4.

Plans with 500 or more participants compute the Adjusted Unfunded Vested Benefits by using Step 1, Step 2 and Step 3 of the "Line 4 Procedure" below and entering the result (UVB_{adj}) on line 4.

Procedure

Line 4 Procedure - How To Compute Adjusted Unfunded Vested Benefits

Step 1. Unfunded Vested Benefits.

A. If line 3(d), Adjusted Value of Plan Assets, is equal to or greater than line 2(b)(3), Total Adjusted Vested Benefits, you have *no* Adjusted Unfunded Vested Benefits; enter $0 on line 4 and go to line 9.

B. If line 3(d), Adjusted Value of Plan Assets is less than Line 2(b)(3), Adjusted Total Value of Benefits, you do have Total Adjusted Unfunded Vested Benefits. Compute the amount of Unfunded Vested Benefits as of the determination date entered on line 2 as follows:

1. Total Adjusted Vested Benefits from line 2(b)(3) . . . . $ ________
2. *Minus:* Adjusted Value of Plan Assets from line 3(d) . . . $ ________
3. Unfunded Vested Benefits (1 minus 2) . . . . $ ________
4. Go to Step 2

Step 2. Passage Of Time.

Adjust the Unfunded Vested Benefits entered above to reflect the passage of time from the determination date entered on line 2 using the following formula:

$$UVB_{adj} = (VB_{adj} - A_{adj}) \times (1 + RIR / 100)^{Y};$$

where -

1. UVB_{adj} is the amount of the plan's Adjusted Unfunded Vested Benefits on which the variable rate portion of the premium will be assessed.
   NOTE: Round up to the next $1,000 and enter on line 4 $ ________
2. VB_{adj} is the value of the Total Adjusted Vested Benefits entered on line 2(b)(3) . . . . $ ________
3. A_{adj} is the Adjusted Value Of Plan Assets entered on line 3(d) . . . . $ ________
4. RIR is the Required Interest Rate entered on line 2 . . . . ______ %
5. Y is deemed to be equal to 1 (unless the plan year preceding the premium payment year is a short plan year, in which case Y is the number of days in the short plan year (counting both the first day and the last day of the short plan year) divided by 365, expressed as a decimal fraction of 1.0 with two digits to the right of the decimal point) . . . . . . ______ years

If you have a plan with fewer than 500 participants, skip Step 3 below and go to line 5; otherwise, you must proceed to Step 3.

Step 3. Significant Event Adjustment.

If you have a plan with 500 or more participants, an enrolled actuary must certify to either A or B below by completing the certification on line 11 (including, in particular, box (e) of Line 11) of the Schedule A.

a. No significant event, as described in Part H.6. of these instructions, occurred during the plan year preceding the premium payment year. If this is the case, enter UVB_{adj} from Step 2 above on line 4.

b. One or more significant events have occurred during the plan year preceding the premium payment year, and the enrolled actuary has made appropriate adjustments to UVB_{adj} from Step 2 above to reflect the occurrence of the significant event in accordance with generally accepted actuarial principles and practices. If this is the case, you may use the following worksheet:

1. Enter UVB_{adj} from Step 2 above . $ ________
2. Enter the adjustment to UVB_{adj} to reflect significant events (if negative, place in parentheses) . . $ ________

3. Add 1 and 2, round up to the next $1,000, and enter here and on line 4 $ ______

Line 5 Multiply Line 4 By 0.006

Multiply the Adjusted Unfunded Vested Benefits amount on line 4 by 0.006 and enter on line 5.

Line 6 Divide Line 5 By The Participant Count

Enter the participant count from Form 1 line 13. Divide the amount on line 5 by this number and enter. Round to the nearest cent. This is the initial per participant variable rate portion of the premium, but it may be reduced by the calculation on line 7.

Line 7 Per Participant Cap

Enter the standard $34 per participant cap; or, *if* the plan is qualified (as described below), you may enter the reduced per participant cap that may be as low as $19. If the entry on line 6 is less than $19, there is no need to determine a reduced per participant cap and you should enter $34 on line 7.

The $34 per participant cap may be reduced if your plan meets the qualification rules in the "Line 7 Procedure".

The cap reduction is $3 per plan year for each of the last five plan years beginning before January 1, 1988, in which the plan received the maximum allowable tax deductible contribution under section 404 of the Code.

The most the cap may be reduced is $15 ($3 per year times 5 years = $15), which would reduce the cap from $34 to $19.

To determine if your plan qualifies for a cap reduction and the amount of the reduction, you must use the Line 7 Procedure - How To Compute The Reduced Per Participant Cap. You may use the spaces in the procedure as a work sheet. Do not send the work sheet to PBGC. Keep the work sheet (or the numbers computed in it) in your records. PBGC may require that you submit this information at a later date.

Procedure

Line 7 Procedure - How To Compute The Reduced Per Participant Cap

In order to determine if a plan qualifies for the reduction, you must use rules 1 through 5 of this procedure. If the plan qualifies, determine the reduced per participant cap under the steps that follow these rules.

Rules for Determining Qualification

Rule 1. Determination of maximum deductible contribution.

The determination of whether contributions were in an amount not less than the maximum amount allowable as a deduction under section 404 of the Code shall be based on the methods of computing the maximum deductible contribution under section 404, including actuarial assumptions and funding methods, used by the plan and the contributing sponsor or contributing sponsors (provided such assumptions and methods met the requirements for reasonableness under section 412 of the Code) with respect to each of the last five plan years commencing before January 1, 1988.

Rule 2. Rounding of de minimis amounts.

Any contribution that would have been at least equal to the maximum deductible amount but for the fact that the contribution amount was rounded down, shall be deemed for the purposes of this procedure to be in an amount not less than the maximum deductible amount if the following conditions are met:

a. In the case of maximum deductible amounts up to $100,000, the contribution amount was rounded down to no less than the next lower multiple of $100.

b. In the case of maximum deductible amounts greater than $100,000, the contribution amount was rounded down to no less than the next lower multiple of $1,000.

Rule 3. Defined benefit and defined contribution plans.

There is a limitation on the determination of the maximum deductible contribution for sponsors maintaining both defined benefit and defined contribution plans with common participants.

If a contributing sponsor is subject to the limitation on deductions described in section 404(a)(7)(A) of the Code (relating to total deductions in connection with one or more defined contribution plans and one or more defined benefit plans with common participants) and if the contributing sponsor or contributing sponsors made contributions to the plan with respect to which the premium is being determined in an amount less than the maximum deductible amount (determined without regard to the Code section 404(a)(7)(A) limitation), amounts contributed to a defined contribution plan (or plans), or to a defined benefit plan (or plans) not covered by Title IV of the Act pursuant to section 4021 of the Act, must be disregarded in determining whether the amounts contributed equalled the maximum deductible contribution under section 404 of the Code. If the contributing sponsor maintains more than one defined benefit plan covered by Title IV of the Act pursuant to section 4021 of the Act, the determination shall be made by aggregating the amounts contributed to all such plans and comparing that total to the section 404(a)(7)(A) limitation.

Rule 4. When plan year and taxable year do not coincide.

There is a special rule for determining the maximum deductible contribution in certain cases when the plan year and the contributing sponsor's taxable year do not coincide.

If a contributing sponsor determined the maximum deductible contribution for a taxable year by using a weighted average of the maximum deductible contributions for the plan years falling within the taxable year pursuant to 26 CFR § 1.404(a)-14(c)(3), the determination under this procedure of whether the contribution for a plan year was the maximum deductible amount shall be made by aggregating all contributions for that plan year, irrespective of the taxable year in which they were applied. If the total amount of contributions is less than the maximum deductible amount under Code section 404 (without applying the limitation in Code section 404(a)(7)(A)) determined on the basis of the plan year, the contribution shall be treated as being the maximum deductible amount under this procedure only if the portion of the contribution applied in each taxable year in which the plan year fell equalled the maximum deductible amount (with respect to that plan year) for that taxable year under the limitation in section 404(a)(7)(A).

Rule 5. Special rule for nonprofit entities.

A plan maintained by a nonprofit entity shall be deemed, for purposes of this procedure, to have received the maximum deductible amount for a plan year if an enrolled actuary certifies that the contributions made to the plan for that plan year were in an amount not less than the maximum amount that would have been allowable as a deduction under section 404 of the Code, as determined under Rule 1 through Rule 4 of this procedure, if the contributing sponsor(s) of the plan was a (were) for-profit entity(ies).

The enrolled actuary must initial the box on line 11(d) if this rule is used.

Computation Of The Reduced Per Participant Cap

Step 1. Check the appropriate box or boxes below to indicate the plan years for which the maximum allowable tax deductible contribution under section 404 of the Code was made to the plan and enter the number of boxes checked:

1983	1984	1985	1986	1987	Total Years
☐	☐	☐	☐	☐	______

Step 2. Multiply the total years from Step 1 by $3 and enter here .... $ ______

Step 3. Per Participant Cap on the variable rate portion of the premium: Subtract the amount from Step 2 from $34 and enter here and on line 7 .... $ ______

Line 8 The Lesser Of Lines 6 Or 7

Enter the *lesser* of line 6 or line 7. This is the per participant variable rate portion of your premium payment.

Line 9 Variable Rate Portion Of The Premium

Enter on line 9 and on Form 1, line 15(b), the variable rate portion of the premium.

a. If you have a plan with Adjusted Unfunded Vested Benefits shown on line 4, enter the line 8 amount multiplied by the participant count from Form 1, line 13. Also enter the participant count on line 9(a).

b. If you have a plan that has *NO* Adjusted Unfunded Vested Benefits shown on line 4, enter $0.

Line 10 Plan Administrator Certification

As plan administrator, you must personally sign and date the certification in the space provided. In addition, *if* you used the Interest Adjustment Relief Rule (see line 2 instructions), you must initial box (c) on line 10. We may return any filing that does not have your signature.

Line 11 Enrolled Actuary Certification

If the plan has 500 or more participants or if the plan uses the special rule for nonprofit entities (see Rule 5 of the "Line 7 Procedure"), an enrolled actuary must personally sign, date and enter his or her enrollment number and address in the space provided on the certification, and must initial box (d) and/or box (e) on line 11, as applicable.

Subpart 3 NO VESTED PARTICIPANTS

Line 1 Filing Method

If you use the No Vested Participants filing method, you must check the box on line 1(c)(1) and initial the box on line 10(a). Go to line 9.

Line 9 Variable Rate Portion Of The Premium

Enter $0.

Line 10 Plan Administrator Certification

As plan administrator, you must personally sign and date the certification in the space provided. We may return any filing that does not have your signature. Initial the box on line 10(a).

Line 11 Enrolled Actuary Certification

An enrolled actuary's certification is not required under this filing method.

Subpart 4 SECTION 412(i) PLANS

Line 1 Filing Method

If you use the filing method for section 412(i) plans, you must check the box on line 1(c)(2), initial the box on line 10(b), and go to line 9.

Line 9 Variable Rate Portion Of The Premium

Enter $0.

Line 10 Plan Administrator Certification

As plan administrator, you must personally sign and date the certification in the space provided. We may return any filing that does not have your signature. Initial the box on line 10(b).

Line 11 Enrolled Actuary Certification

An enrolled actuary's certification is not required under this filing method.

Subpart 5 FULLY FUNDED SMALL PLANS

Line 1 Filing Method

If you use the filing method for fully funded plans with fewer than 500 participants, you must check the box on line 1(c)(3) and an enrolled actuary must complete line 11(b). Go to line 9.

Line 9 Variable Rate Portion Of The Premium

Enter $0.

Line 10 Plan Administrator Certification

As plan administrator, you must personally sign and date the certification in the space provided. We may return any filing that does not have your signature

Line 11 Enrolled Actuary Certification

An enrolled actuary must complete certification on line 11 and must initial the box on line 11(b).

Subpart 6 STANDARD TERMINATIONS

Line 1 Filing Method

If you use the method for plans terminating in standard terminations, you must check the box on line 1(c)(4) and enter the proposed date of plan termination on line 1(c)(4). Go to line 9.

(NOTE. See Part A.2. for rules on when your premium obligation ends.)

Line 9 Variable Rate Portion Of The Premium

Enter $0.

Line 10 Plan Administrator Certification

As plan administrator, you must personally sign and date the certification in the space provided. We may return any filing that does not have your signature.

Line 11 Enrolled Actuary Certification

An enrolled actuary's certification is not required under this filing method.

Subpart 7 PLANS AT THE FULL FUNDING LIMIT

Line 1 Filing Method

If you use the methods for plans at the full funding limit, you must check the box on line 1(c)(5) and an enrolled actuary must complete line 11(e). Go to line 9

Line 9 Variable Rate Portion of the Premium

Enter $0.

Line 10 Plan Administrator Certification

As plan administrator, you must personally sign and date the certification in the space provided. We may return any filing that does not your signature.

Line 11 Enrolled Actuary Certification

An enrolled actuary must complete certification on line 11 and must initial the box on line 11(f).

Subpart 8 PLANS TERMINATING IN DISTRESS OR INVOLUNTARY TERMINATIONS

Line 1 Filing Method

If you use the method for plans terminating in a distress or involuntary termination, check the box on line 1(d) and enter the proposed date of termination (in a distress termination) or the date of termination sought by the PBGC (in an involuntary termination). (These dates are both referred to below as the "DOPT".)

(NOTE: See Part A.2. for rules on when your premium obligation ends.)

Lines 2 Through 11

The line-by-line instructions for lines 2 through 11 of the Schedule A are the same as under the Alternative Calculation Method (See Part I, Subpart 2, of these instructions) subject to the modifications described below. Under this Distress/Involuntary Termination Method, you will generally be using data from a Schedule B for a plan year earlier than the plan year preceding the premium payment year. (If you are able to use the same Schedule B as under the Alternative Calculation Method , which is the 1989 Schedule B for the 1990 premium payment year, the Distress/Involuntary Termination Method and the Alternative Calculation Method are almost identical; the only difference is that the Distress/Involuntary Termination Method may result in a smaller adjustment for accruals during the plan year preceding the premium payment year, since it would adjust only up to the DOPT. See below.) The modifications are generally designed to reflect and to adjust for the fact that the Schedule B data were determined as of an earlier date.

The modifications are as follows:

Modification 1.

Substitute the first day of the plan year of the Schedule B you are using for the first day of the Alternative Calculation Method Schedule B year.

$\boxed{\text{Example}}$ A calendar year plan is paying its 1990 premium. The plan has a DOPT of September 1, 1989 and is using data from its 1988 Schedule B to calculate the variable rate portion of its premium. For this plan --

a. the determination date to be entered on line 2 must be January 1, 1988;

b. the Plan Value of Vested Benefits to be entered in the "Value" column of line 2(a), as well as the Adjusted Value of Vested Benefits to be entered on line 2(b), must be determined as of January 1, 1988;

c. the Plan Value of Vested Benefits entered in line 2(a)(2) is the amount entered in line 6d(ii) of the 1988 Schedule B (NOTE: If the plan were using the 1989 Schedule B, the line 2(a)(2) amount would be the total of the amounts entered on lines 6d(ii) and 6d(iii) of the 1989 Schedule B);

d. the determination date to be entered on line 3 must be January 1, 1988;

e. the Value of Plan Assets to be entered on line 3(a) must be determined as of January 1, 1988;

f. the Contribution Receivables to be entered on line 3(b) are those that were included as receivables in the line 3(a) entry as of January 1, 1988;

g. the Discounted Paid Contributions to be entered on line 3(c) are those contributions for plan years prior to the premium payment year that were either included as receivables, or not included (as receivables or otherwise), in the line 3(a) entry as of January 1, 1988 (provided they were paid on or before the earlier of the date the 1990 premium is due or paid);

h. the Discounted Paid Contributions to be entered on line 3(c) must be discounted from the date paid back to January 1, 1988;

i. the Adjusted Value of Plan Assets to be entered on line 3(d) must be determined as of January 1, 1988;

j. the Adjusted Unfunded Vested Benefits to be entered on line 4 is determined as of the last day of the plan year preceding the premium payment year, i.e., December 31, 1989;

k. for a plan with 500 or more participants, the Adjusted Unfunded Vested Benefits to be entered on line 4 must reflect any significant events occurring between January 1, 1988, and December 31, 1989.

Modification 2.

Substitute "the sum of 1 plus the product of .07 times the number of years (rounded to the nearest hundredth of a year) from the date of the Schedule B data to the DOPT" for the "1.07 benefit accrual adjustment factor" in the Line 2(b) "Relief Rule" and the interest rate adjustment formula under the "Line 2(b) Procedure."

To compute the number of years, count the number of days from and including the date of the Schedule B data to and including the DOPT and divide by 365.

Under the Alternative Calculation Method, the "1.07 benefit accrual adjustment factor" referred to under the "Line 2(b) Procedure" serves as a surrogate for accruals during the plan year preceding the premium payment year. This surrogate assumes that there has been exactly one year of accruals (e.g., in the case of a calendar year plan paying its 1990 premium, accruals from January 1, 1989, through December 31, 1989). Under the Distress/Involuntary Termination Method, however, the accrual period will run from the date of the Schedule B data to the DOPT.

Using the rule stated in Modification 2, and continuing with the hypothetical plan in Modification 1 --

a. Determine $VB_{(Nonpay)}$ in the "Line 2(b) Procedure" interest rate adjustment formula by multiplying the amount entered on line 6d(ii) of the 1988 Schedule B or if you are using the 1989 Schedule B, the total of the amounts entered on lines 6d(ii) and 6d(iii)) by the following benefit accrual adjustment factor (AC) instead of 1.07 --

AC = 1 + (.07 x (the number of days from January 1, 1988 to September 1, 1989) / 365)

AC = 1 + (.07 x 1.67)

AC = 1 + .12

AC = 1.12

b. If the plan is using the line 2(b) "Relief Rule", the Schedule A line 2(b)(2) amount is determined by multiplying the Schedule A line 2(a)(2) amount by 1.12. If the plan cannot use the Relief Rule, the $VB_{(Nonpay)}$ amount (c.3. under the "Line 2(b) Procedure") is the amount entered on line 2(a)(2) of Schedule A multiplied by 1.12.

c. Enter the benefit accrual adjustment factor of 1.12 as the accrual factor on Schedule A, line 2.

Modification 3.

Substitute "the number of years (rounded to the nearest hundredth of a year) between the date of the Schedule B data and the last day of the plan year preceding the premium payment year" for the exponent "Y," in the time adjustment formula under the "Line 4 Procedure."

To compute the number of years, count the number of days from and including the date of the Schedule B data to and including the last day of the plan year preceding the premium payment year and divide by 365 in Step 2 of the "Line 4 Procedure."

Under the Alternative Calculation Method, the exponent, "Y," in the time adjustment formula in Step 2 of the "Line 4 Procedure" represents the length of time from the date of the Schedule B data to the last day of the plan year preceding the premium payment year. Because that length of time is generally exactly one year under the Alternative Calculation Method, Y is defined simply as (generally) being "equal to 1". The length of time under the Distress/Involuntary Termination Method will generally be longer than 1 year. Thus, using the rule stated in Modification 3, and continuing with the hypothetical plan in Modification 1, "Y" would equal 2 (the number of years between January 1, 1988, and December 31, 1989).

Subpart 9 SMALL PLANS PAYING MAXIMUM VARIABLE RATE PREMIUM

Line 1 Filing Method

If you use the filing method for plans paying the maximum variable rate premium, you must check the box on line 1(e), and go to line 7.

Line 7 Per Participant Cap

The instructions for line 7 are the same as under the Alternative Calculation Method. See Part I, Subpart 2, Line 7.

Line 8 The Lesser of Lines 6 or 7

Enter the per participant cap from line 7.

Line 10 Plan Administrator Certification

As plan administrator, you must personally sign and date the certification in the space provided. We may return any filing that does not have your signature.

Line 11 Enrolled Actuary Certification

An enrolled actuary's certification is not generally required under this method. (The only instance in which an enrolled actuary certification is required is where a plan pays the maximum premium based on a claimed entitlement to the cap reduction under the special rule for nonprofit entities. See Part I, Subpart 2, Line 7.)

APPENDIX Optional Substitution Factors for the term ".94$^{(RIR-BIR)}$"

You may use optional "substitution factors" in the Alternative Calculation Method interest rate adjustment formula to replace the term ".94$^{(RIR-BIR)}$". The use of the factors is not required; it is optional. The instructions for the formula and for use of the tables below are in Part I, Subpart 2, Line 2.

Use the substitution factor in Table A when RIR is equal to or greater than BIR rounded to the nearest hundredth. Use the substitution factor in Table B when BIR, rounded to the nearest hundredth, is greater than RIR.

TABLE A

When RIR Is Equal To Or Greater Than BIR

If RIR minus BIR (rounded to nearest hundredth) is: At least	But less than	The substitution factor is --	If RIR minus BIR (rounded to nearest hundredth) is: At least	But less than	The substitution factor is --
0.00	0.10	1.0000	3.00	3.10	0.8306
0.10	0.20	0.9938	3.10	3.20	0.8255
0.20	0.30	0.9877	3.20	3.30	0.8204
0.30	0.40	0.9816	3.30	3.40	0.8153
0.40	0.50	0.9756	3.40	3.50	0.8103
0.50	0.60	0.9695	3.50	3.60	0.8053
0.60	0.70	0.9636	3.60	3.70	0.8003
0.70	0.80	0.9576	3.70	3.80	0.7954
0.80	0.90	0.9517	3.80	3.90	0.7905
0.90	1.00	0.9458	3.90	4.00	0.7856
1.00	1.10	0.9400	4.00	4.10	0.7807
1.10	1.20	0.9342	4.10	4.20	0.7759
1.20	1.30	0.9284	4.20	4.30	0.7711
1.30	1.40	0.9227	4.30	4.40	0.7664
1.40	1.50	0.9170	4.40	4.50	0.7617
1.50	1.60	0.9114	4.50	4.60	0.7570
1.60	1.70	0.9057	4.60	4.70	0.7523
1.70	1.80	0.9002	4.70	4.80	0.7477
1.80	1.90	0.8946	4.80	4.90	0.7430
1.90	2.00	0.8891	4.90	5.00	0.7385
2.00	2.10	0.8836	5.00	5.10	0.7339
2.10	2.20	0.8781	5.10	5.20	0.7294
2.20	2.30	0.8727	5.20	5.30	0.7249
2.30	2.40	0.8673	5.30	5.40	0.7204
2.40	2.50	0.8620	5.40	5.50	0.7160
2.50	2.60	0.8567	5.50	5.60	0.7115
2.60	2.70	0.8514	5.60	5.70	0.7072
2.70	2.80	0.8461	5.70	5.80	0.7028
2.80	2.90	0.8409	5.80	5.90	0.6985
2.90	3.00	0.8357	5.90	6.00	0.6942

TABLE B
When BIR Is Greater Than RIR

If BIR minus RIR (rounded to nearest hundredth) is: At least	But less than	The substitution factor is –	If BIR minus RIR (rounded to nearest hundredth) is: At least	But less than	The substitution factor is –
0.01	0.10	1.0062	3.00	3.10	1.2114
0.10	0.20	1.0125	3.10	3.20	1.2190
0.20	0.30	1.0187	3.20	3.30	1.2265
0.30	0.40	1.0251	3.30	3.40	1.2341
0.40	0.50	1.0314	3.40	3.50	1.2418
0.50	0.60	1.0378	3.50	3.60	1.2495
0.60	0.70	1.0443	3.60	3.70	1.2573
0.70	0.80	1.0507	3.70	3.80	1.2651
0.80	0.90	1.0573	3.80	3.90	1.2729
0.90	1.00	1.0638	3.90	4.00	1.2808
1.00	1.10	1.0704	4.00	4.10	1.2888
1.10	1.20	1.0771	4.10	4.20	1.2968
1.20	1.30	1.0838	4.20	4.30	1.3048
1.30	1.40	1.0905	4.30	4.40	1.3129
1.40	1.50	1.0973	4.40	4.50	1.3211
1.50	1.60	1.1041	4.50	4.60	1.3293
1.60	1.70	1.1109	4.60	4.70	1.3375
1.70	1.80	1.1178	4.70	4.80	1.3458
1.80	1.90	1.1248	4.80	4.90	1.3542
1.90	2.00	1.1317	4.90	5.00	1.3626
2.00	2.10	1.1388	5.00	5.10	1.3710
2.10	2.20	1.1458	5.10	5.20	1.3795
2.20	2.30	1.1529	5.20	5.30	1.3881
2.30	2.40	1.1601	5.30	5.40	1.3967
2.40	2.50	1.1673	5.40	5.50	1.4054
2.50	2.60	1.1745	5.50	5.60	1.4141
2.60	2.70	1.1818	5.60	5.70	1.4229
2.70	2.80	1.1892	5.70	5.80	1.4317
2.80	2.90	1.1965	5.80	5.90	1.4406
2.90	3.00	1.2040	5.90	6.00	1.4495

Codes for Principal Business Activity and Principal Product or Service.

These industry titles and definitions are based, in general, on the Enterprise Standard Industrial Classification system developed by the Office of Management and Budget, Executive Office of the President, to classify enterprises by type of activity in which they are engaged. The system follows closely the Standard Industrial Classification used to classify establishments.

AGRICULTURE, FORESTRY, AND FISHING

Code

Farms:
0120 Field crop.
0150 Fruit, tree nut, and vegetable.
0180 Horticultural specialty.
0230 Livestock.
0270 Animal specialty.

Agricultural services and forestry:
0740 Veterinary services.
0750 Animal services, except veterinary.
0780 Landscape and horticultural services.
0790 Other agricultural services.
0800 Forestry.

Fishing, hunting, and trapping:
0930 Commercial fishing, hatcheries and preserves.
0970 Hunting, trapping, and game propagation.

MINING

Metal mining:
1010 Iron ores.
1070 Copper, lead and zinc, gold and silver ores.
1098 Other metal mining.
1150 Coal mining.

Oil and gas extraction:
1330 Crude petroleum, natural gas, and natural gas liquids.
1380 Oil and gas field services.

Nonmetallic mineral (except fuels) mining:
1430 Dimension, crushed and broken stone; sand and gravel.
1498 Other nonmetallic minerals, except fuels.

CONSTRUCTION

General building contractors and operative builders:
1510 General building contractors.
1531 Operative builders.

Heavy construction contractors:
1611 Highway and street construction.
1620 Heavy construction, except highway.

Special trade contractors:
1711 Plumbing, heating, and air conditioning.
1721 Painting, paper hanging, and decorating.
1731 Electrical work.
1740 Masonry, stonework, and plastering.
1750 Carpentering and flooring.
1761 Roofing and sheet metal work.
1771 Concrete work.
1781 Water well drilling.
1790 Miscellaneous special trade contractors.

MANUFACTURING

Food and kindred products:
2010 Meat products.
2020 Dairy products.
2030 Preserved fruits and vegetables.
2040 Grain mill products.
2050 Bakery products.
2060 Sugar and confectionery products.
2081 Malt liquors and malt.
2088 Alcoholic beverages, except malt liquors and malt.
2089 Bottled soft drinks, and flavoring.
2096 Other food and kindred products.
2100 Tobacco manufacturers.

Textile mill products:
2228 Weaving mills and textile finishing.
2250 Knitting mills.
2298 Other textile mill products.

Apparel and other textile products:
2315 Men's and boy's clothing.
2345 Women's and children's clothing.
2388 Hats, caps, millinery, fur goods, and other apparel and accessories.
2390 Misc. fabricated textile products.

Lumber and wood products, except furniture:
2415 Logging camps and logging contractors, sawmills and planing mills.
2430 Millwork, plywood, and related products.
2498 Other wood products, including wood buildings and mobile homes.
2500 Furniture and fixtures.

Paper and allied products:
2625 Pulp, paper, and board mills.
2699 Other paper products.

Printing, publishing, and allied industries:
2710 Newspapers.
2720 Periodicals.
2735 Books, greeting cards, and misc. publishing.
2799 Commercial and other printing, and printing trade services.

Chemicals and allied products:
2815 Industrial chemicals, plastics materials and synthetics.
2830 Drugs.
2840 Soap, cleaners, and toilet goods.
2850 Paints and allied products.
2898 Agricultural and other chemical products.

Petroleum refining and related industries (including those integrated with extraction):
2910 Petroleum refining (including those integrated with extraction).
2998 Other petroleum and coal products.

Rubber and misc. plastics products:
3050 Rubber products; plastics footwear, hose and belting.
3070 Misc. plastics products.

Leather and leather products:
3140 Footwear, except rubber.
3198 Other leather and leather products.

Stone, clay, glass, and concrete products:
3225 Glass products.
3240 Cement, hydraulic.
3270 Concrete, gypsum, and plaster products.
3298 Other nonmetallic mineral products.

Primary metal industries:
3370 Ferrous metal industries; misc. primary metal products.
3380 Nonferrous metal industries.

Fabricated metal products, except machinery and transportation equipment:
3410 Metal cans and shipping containers.
3428 Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products.
3430 Plumbing and heating, except electric and warm air.
3440 Fabricated structural metal products.
3460 Metal forging and stamping.
3470 Coating, engraving, and allied services.
3480 Ordnance and accessories, except vehicles and guided missiles.
3490 Misc. fabricated metal products.

Machinery, except electrical:
3520 Farm machinery.
3530 Construction, mining, and materials handling machinery and equipment.
3540 Metalworking machinery.
3550 Special industry machinery, except metalworking machinery.
3560 General industrial machinery.
3570 Office, computing, and accounting machines.
3598 Engines and turbines, service industry machinery, and other machinery, except electrical.

Electrical and electronic machinery, equipment, and supplies:
3630 Household appliances.
3665 Radio, television, and communication equipment.
3670 Electronic components and accessories.
3698 Other electric equipment.

Transportation equipment:
3710 Motor vehicles and equipment.
3725 Aircraft, guided missiles and parts.
3730 Ship and boat building and repairing.
3798 Other transportation equipment.

Measuring and controlling instruments; photographic and medical goods, watches and clocks:
3815 Scientific instruments and measuring devices; watches and clocks.
3845 Optical, medical, and ophthalmic goods.
3860 Photographic equipment and supplies.
3998 Other manufacturing products.

TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES

Transportation:
4000 Railroad transportation.

Local and interurban passenger transit:
4121 Taxicabs.
4189 Other passenger transportation.

Trucking and warehousing:
4210 Trucking, local and long distance.
4289 Public warehousing and trucking terminals.

Other transportation including transportation services:
4400 Water transportation.
4500 Transportation by air.
4600 Pipelines, except natural gas.
4722 Passenger transportation arrangement.
4723 Freight transportation arrangement.
4799 Other transportation services.

Communication:
4825 Telephone, telegraph, and other communication services.
4830 Radio and television broadcasting.

Electric, gas, and sanitary services:
4910 Electric services.
4920 Gas production and distribution.
4930 Combination utility services.
4990 Water supply and other sanitary services.

WHOLESALE TRADE

Durable:

5010 Motor vehicles and automotive equipment.
5020 Furniture and home furnishings.
5030 Lumber and construction materials.
5040 Sporting, recreational, photographic, and hobby goods, toys, and supplies.
5050 Metals and minerals, except petroleum and scrap.
5060 Electrical goods.
5070 Hardware, plumbing and heating equipment.
5083 Farm machinery and equipment.
5089 Other machinery, equipment, and supplies.
5098 Other durable goods.

Nondurable:

5110 Paper and paper products.
5129 Drugs, drug proprietaries, and druggists' sundries.
5130 Apparel, piece goods, and notions.
5140 Groceries and related products, except meats and meat products.
5147 Meats and meat products.
5150 Farm-product raw materials.
5160 Chemicals and allied products.
5170 Petroleum and petroleum products.
5180 Alcoholic beverages.
5190 Misc. nondurable goods.

RETAIL TRADE

Building materials, hardware, garden supply, and mobile home dealers:

5211 Lumber and other building materials dealers.
5231 Paint, glass, and wallpaper stores.
5251 Hardware stores.
5261 Retail nurseries and garden stores.
5271 Mobile home dealers.

General merchandise:

5331 Variety stores.
5398 Other general merchandise stores.

Food stores:

5411 Grocery stores.
5420 Meat and fish markets and freezer provisioners.
5431 Fruit stores and vegetable markets.
5441 Candy, nut, and confectionery stores.
5451 Dairy products stores.
5460 Retail bakeries.
5490 Other food stores.

Automotive dealers and service stations:

5511 New car dealers (franchised).
5521 Used car dealers.
5531 Auto and home supply stores.
5541 Gasoline service stations.
5551 Boat dealers.
5561 Recreational vehicle dealers.
5571 Motorcycle dealers.
5599 Aircraft and other automotive dealers.

Apparel and accessory stores:

5611 Men's and boy's clothing and furnishings.
5621 Women's ready-to-wear stores.
5631 Women's accessory and specialty stores.
5641 Children's and infants' wear stores.
5651 Family clothing stores.
5661 Shoe stores.
5681 Furriers and fur shops.
5699 Other apparel and accessory stores.

Furniture, home furnishings, and equipment stores:

5712 Furniture stores.
5713 Floor covering stores.
5714 Drapery, curtain, and upholstery stores.
5719 Home furnishings, except appliances.
5722 Household appliance stores.
5732 Radio and television stores.
5733 Music stores.

Eating and drinking places:

5812 Eating places.
5813 Drinking places.

Miscellaneous retail stores:

5912 Drug stores and proprietary stores.
5921 Liquor stores.
5931 Used merchandise stores.
5941 Sporting goods stores and bicycle shops.
5942 Book stores.
5943 Stationery stores.
5944 Jewelry stores.
5945 Hobby, toy, and game shops.
5946 Camera and photographic supply stores.
5947 Gift, novelty, and souvenir shops.
5948 Luggage and leather goods stores.
5949 Sewing, needlework, and piece goods stores.
5961 Mail order houses.
5962 Merchandising machine operators.
5963 Direct selling organizations.
5982 Fuel and ice dealers (except fuel oil and bottled gas dealers).
5983 Fuel oil dealers.
5984 Liquefied petroleum gas (bottled gas).
5992 Florists.
5993 Cigar stores and stands.
5994 News dealers and news-stands.
5996 Other miscellaneous retail stores.

FINANCE, INSURANCE AND REAL ESTATE

Banking:

6030 Mutual savings banks.
6060 Bank holding companies.
6090 Banks, except mutual savings banks and bank holding companies.

Credit agencies other than banks:

6120 Savings and loan associations.
6140 Personal credit institutions.
6150 Business credit institutions.
6199 Other credit agencies.

Security, commodity brokers, dealers, exchanges, and services:

6212 Security underwriting syndicates.
6218 Security brokers and dealers, except underwriting syndicates.
6299 Commodity contracts brokers and dealers, security and commodity exchanges; and allied services.

Insurance:

6355 Life insurance.
6356 Mutual insurance, except life or marine and certain fire or flood insurance companies.
6359 Other insurance companies.
6411 Insurance agents, brokers, and services.

Real Estate:

6511 Real estate operators (except developers) and lessors of buildings.
6516 Lessors of mining, oil and similar property.
6518 Lessors of railroad property and other real property.
6531 Real estate agents, brokers and managers.
6541 Title abstract offices.
6552 Subdividers and developers, except cemeteries.
6553 Cemetery subdividers and developers.
6599 Other real estate.
6611 Combined real estate, insurance, loans and law offices.

Holding and other investment companies:

6742 Regulated investment companies.
6743 Real estate investment companies.
6744 Small business investment companies.
6749 Holding and other investment companies, except bank holding companies.

SERVICES

Hotels and other lodging places:

7012 Hotels.
7013 Motels, motor motels, and tourist courts.
7021 Rooming and boarding houses.
7032 Sporting and recreational camps.
7033 Trailer parks and camp sites.
7041 Organizational hotels and lodging houses on a membership basis.

Personal services:

7215 Coin-operated laundries and dry cleaning.
7219 Other laundry, cleaning, and garment services.
7221 Photographic studios, portrait.
7231 Beauty shops.
7241 Barber shops.
7251 Shoe repair and hat cleaning shops.
7261 Funeral services and crematories.
7299 Miscellaneous personal services.

Business services:

7310 Advertising.
7340 Services to buildings.
7370 Computer and data processing services.
7392 Management, consulting, and public relations services.
7394 Equipment rental and leasing.
7398 Other business services.

Automotive repair and services:

7510 Automotive rentals and leasing, without drivers.
7520 Automobile parking.
7531 Automobile top and body repair shops.
7538 General automobile repair shops.
7539 Other automotive repair shops.
7540 Automotive services, except repair.

Miscellaneous repair services:

7622 Radio and TV repair shops.
7628 Electrical repair shops, except radio and TV.
7641 Reupholstery and furniture repair.
7680 Other miscellaneous repair shops.

Motion pictures:

7812 Motion picture production, distribution, and services.
7830 Motion picture theaters.

Amusement and recreation services:

7920 Producers, orchestras, and entertainers.
7932 Billiard and pool establishments.
7933 Bowling alleys.
7980 Other amusement and recreation services.

Medical and health services:

8011 Offices of physicians.
8021 Offices of dentists.
8031 Offices of osteopathic physicians.
8041 Offices of chiropractors.
8042 Offices of optometrists.
8048 Registered and practical nurses.
8050 Nursing and personal care facilities.
8060 Hospitals.
8071 Medical laboratories.
8072 Dental laboratories.
8098 Other medical and health services.

Other Services:

8111 Legal services.
8200 Educational services.
8911 Engineering and architectural services.
8932 Certified public accountants.
8933 Other accounting, auditing, and bookkeeping services.
8999 Other services, not elsewhere classified.

TAX-EXEMPT ORGANIZATIONS

9002 Church plans making an election under section 410(d) of the Internal Revenue Code.
9319 Other tax-exempt organizations.
9904 Government instrumentality or agency.

Forms and instructions may be obtained through the following offices of the Pension and Welfare Benefits Administration (PWBA) of the U.S. Department of Labor:

CALIFORNIA
Los Angeles 90012
3660 Wilshire Boulevard
(213) 252-7556

San Francisco 94119-3455
71 Stevenson Street
(415) 556-7170

DISTRICT OF COLUMBIA

Washington, D.C. 20006
1730 K Street, NW
(202) 254-7013

FLORIDA
Miami 33169
111 NW 183rd Street
(305) 350-4611

GEORGIA
Atlanta 30367
1371 Peachtree St., NE
(404) 347-4090

ILLINOIS
Chicago 60604
175 W. Jackson Boulevard
(312) 353-0900

KENTUCKY
Fort Wright 41011
1885 Dixie Highway
(606) 292-3121

MASSACHUSETTS
Boston 02109
Suite L2 J.W. McCormack
POCH Building
(617) 223-9837

MICHIGAN
Detroit 48226
231 W. Lafayette Street
(313) 226-7450

MISSOURI
Kansas City 64106
911 Walnut Street
(816) 374-5131

NEW YORK
New York 10278
26 Federal Plaza
(212) 264-4831

PENNSYLVANIA
Philadelphia 19104
3535 Market Street
(215) 596-1134

TEXAS
Dallas 75202
525 Griffin Street
(214) 767-6831

WASHINGTON
Seattle 98174
909 First Avenue
(206) 442-4244

All forms and payments should be mailed to:
Pension Benefit Guaranty Corporation, P.O. Box 105655, Atlanta, Georgia 30348-5655

Bulk Mailing Order Form

We will mail a bulk order of forms to those pension practitioners who need many copies. Each order will contain 50 copies of Form 1 with Schedule A and one set of instructions.

If you have ordered bulk quantities in the past, you do not need to take any action this year, unless your address has changed.

If you wish to receive a bulk order of forms for the first time or your mailing address has changed, complete the form below, and mail to:

Pension Benefit Guaranty Corporation
OSD (37500)
2020 K Street, N.W.
Washington, D.C. 20006-1860

Please send a bulk order:
Check the appropriate box.

☐ New Bulk Order
☐ Change in address

TO: ____________________

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[FR Doc. 90-10779 Filed 5-8-90; 8:45 am]

BILLING CODE 7708-01-C

SECURITIES AND EXCHANGE COMMISSION

Forms Under Review by the Office of Management and Budget

Agency Clearance Officer: Kenneth A. Fogash; (202) 272-2142.

Upon Written Request Copy Available From: Securities and Exchange Commission, Office of Consumer Affairs, 450 5th Street NW., Washington, DC 20549.

New

Operational EDGAR Filer Questionnaire

File No. 270-341

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission has submitted for clearance an Operational EDGAR Filer Questionnaire. The questionnaire requests information about the method by which the filers plan to make their filings on the Operational EDGAR system.

The estimated average burden hours to comply with this request is one half hour each for approximately 1500 respondents.

The estimated average burden hours are based on time necessary to complete the form by a small sample group of volunteers.

Direct general comments to Gary Waxman at the address below. Direct any comments concerning the accuracy of the estimated average burden hours for compliance with SEC rules and forms to Kenneth A. Fogash, Deputy Executive Director, 450 Fifth Street NW., Washington, DC 20549, and Gary Waxman, Clearance Officer, Office of Management and Budget, Paperwork Reduction Act Project (3235-040A), room 3208 New Executive Office Building, Washington, DC 20503.

Dated: May 3, 1990.

Jonathan G. Katz,

Secretary.

[FR Doc. 90-10822 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-27984; [File No. SR-NSCC-90-02]]

Self-Regulatory Organizations; Order Approving a Proposed Rule Change by the National Securities Clearing Corporation, Relating to an Amendment to Its By-laws to Increase the Number of Directors on the Board of Directors

May 2, 1990.

On February 15, 1990, The National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-NSCC-90-02) under section 91(b)(1) of the Securities Exchange Act of 1934, as amended ("Act").[1] On March 12, 1990, the Commission published notice of the proposal in the **Federal Register**.[2] The Commission did not receive any letters of comments. For the reasons discussed below, the Commission is approving the proposed rule change.

NSCC's proposal amends article II § 2.1. of its by-laws, in order to increase, from 17 to 18, the number of directors that comprise NSCC's Board of Directors. Currently, NSCC operates under the governance of a 17 member Board of Directors.[3] Pursuant to NSCC's shareholders agreement,[4] shareholders have one representative each ("shareholder directors"), and the President of NSCC serves as the "management directors." [5] The rest of the directors (*i.e.*, 13) must be NSCC participants ("participant directors").[6] In light of these proportions, any addition to the number of directors would result in an increase in the number of participants elected to the Board of Directors, thus enhancing the level of participant involvement in the administration NSCC.

Section 17A(b)(3)(C) of the Act requires that the rules of a clearing agency "assure a fair representation of its shareholders * * * and participants in the selection of its directors and administration of its affairs." [7] The Act, however, does not define fair representation, reserving to the Commission the authority to determine whether the rules of the clearing agency give fair voice to participants and shareholders.[8]

The Commission believes that the proposed increase in the membership of the Board of Directors is consistent with NSCC's obligation under section 17A of the Act to assure fair representation to its participants in the administration of its affairs. NSCC's proposed action will result in a Board of Directors reflecting, to a greater extent, NSCC's user population. As a result, participants will be allowed additional opportunities to raise and discuss issues that affect them and, in addition, will enjoy increased participation in the fashioning of solutions to problems affecting them.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,[9] that the proposed rule change, SR-NSCC-90-02, be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority. 17 CFR 200.30-(12) (1989).

Jonathan G. Katz,

Secretary.

[FR Doc. 90-10824 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

[1] 15 U.S.C. 78s(b)(1) (1989).

[2] Securities Exchange Act Release No. 27758 (March 2, 1990), 55 FR 9237 (March 12, 1990).

[3] In 1977, when NSCC was temporarily registered as a clearing corporation, the Board of Directors was composed of 16 members. Securities Exchange Act Release No. 13163 (January 13, 1977), 42 FR 3916, 3924 (January 21, 1977). In 1984, the number of Directors was increased to 17.

[4] NSCC was incorporated under the laws of New York on March 17, 1976, owned in equal parts by its shareholders: the Stock Clearing Corporation ("SCC"), a wholly-owned subsidiary of the New York Stock Exchange; the American Stock Exchange Clearing Corporation ("ASECC"), a wholly-owned subsidiary of the American Stock Exchange; and the National Clearing Corporation ("NCC"), a wholly-owned subsidiary of the National Association of Securities Dealers. On December 15, 1976, SCC, ASECC and NCC entered into a shareholder's agreement. This agreement was subsequently amended on December 13, 1978, November 30, 1979, September 30, 1982, December 15, 1982 and March 15, 1983.

[5] NSCC, Shareholders Agreement section 8(A)(i) (March 15, 1983).

[6] *id.*

[7] 15 U.S.C. 78q-1(b)(3)(C).

[8] *See* Securities Exchange Act Release No. 16900 (June 17, 1980), 45 FR 41920, 41923 (June 23, 1980).

[9] 15 U.S.C. 78s(b)(2).

[Release No. 34-27974; File No. SR-CSE-90-02]

Self-Regulatory Organizations; Cincinnati Stock Exchange, Inc.; Notice of Proposed Rule Change Relating to the Adoption of a Size Precedence Policy for Cross Transactions

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] notice is hereby given that on March 28, 1990, the Cincinnati Stock Exchange, Inc. ("CSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The

[1] 15 U.S.C. 78s(b)(1) (1982).

Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CSE proposes to add rule 11.9(v) in order modify the Exchange's precedence rules.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CSE has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Proposed CSE rule 11.9(v) is intended to permit orders of 10,000 shares or more to have precedence without regard to priority of bids, offers or professional agency orders so as to facilitate the execution of crosses on the Exchange.

The CSE does not currently have rules that provide for precedence based upon size. Presently, subsections (l) and (m) of CSE rule 11.9 provide that the highest bid and lowest offer have priority in execution and those equal in price have priority in time. Dealer and professional agency orders are required to yield priority to same price agency orders at all times.

Under the proposed rule, priority will be modified to allow for precedence based upon the size of an order. Where an order is for 10,000 shares or more, it will have priority over like bids, offers and professional agency orders for lesser number of shares. However, the proposed rule will not allow precedence over smaller public agency orders. All existing public agency orders in the central limit order must continue to be satisfied at the cross price prior to invoking the proposed rule.

The CSE believes that the proposed rule change will facilitate the execution of crosses and attract order flow to the CSE by enhancing the CSE's ability to compete with those exchanges that currently have size precedence rules.

2. Statutory Basis for the Proposed Rule Change

The Exchange believes the proposed rule change is consistent with the provisions of section 6(b) of the Act [2] in general and, in particular, furthers the objectives of section 6(b)(5) of the Act [3] in that it will promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change imposes any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve the proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street NW., Washington, DC 20549. Copies of such filings will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by May 30, 1990.

[2] 15 U.S.C. 78f(b) (1982).

[3] 15 U.S.C. 78f(b)(5) (1982).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[4]

Dated: May 1, 1990.

Jonathan G. Katz,

Secretary.

[FR Doc. 89-10826 Filed 5-8-89; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-27970; File No. SR-MSE-90-07]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Midwest Stock Exchange Relating to Clearing the Post With Orders Received on the Exchange Floor

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on April 23, 1990, the Midwest Stock Exchange, Inc. ("MSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The MSE has submitted a proposed rule change consisting of a proposed *Notice To Floor Members* ("Notice")[1] which sets forth the Exchange's policy regarding "clearing the MSE post." [2] The

[4] *See* 17 CFR 200.30-3 (1989).

[1] The exact text of the Notice was attached to the rule filing as Exhibit A and is available at the MSE and the Commission at the address noted in Item IV below.

[2] The MSE policy of clearing the post mandates that a broker must request a market quote from the specialist prior to entering a commitment into ITS for another market. After requesting the specialist's market quote, the floor broker is required to make a bid or offer at the post for the price and size of his/her intended interest prior to entering a commitment into ITS. Securities Exchange Act Release No. 17766 (May 4, 1981), 46 FR 25745 (May 8, 1981) (File Nos. SR-MSE-81-3 and SR-MSE-81-5).

Exchange's current policy states that any MSE floor brokers or market makers who enter any order received or originated on the floor into the Intermarket Trading System ("ITS") before clearing the post may be in violation of MSE rules. The proposed Notice expands this current policy to require floor brokers and market makers to first clear the post before sending the order to another market by any means, including ITS. The proposed rule change is available for inspection and copying at the Commission's Public Reference Section and at the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below and is set forth in sections A, B, and C below.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the Notice is to inform the MSE floor members of a stated Exchange policy that directly inputting an order received by a floor broker, or originated by a market maker on the Exchange floor, to another market, by any means, without first clearing the MSE post may result in a violation of Article VIII, Rule 7, *Just and Equitable Trade Principles*, and/or Article XXXIV, Rule 1, *Registered Market Makers—Equity Floor, General Responsibilities*, of the Exchange Rules of the Board of Governors, and subsequent disciplinary action. This policy is consistent with and an extension of File No. SR-MSE-81-3,[3] which prohibits floor members from sending an order over ITS to another market before clearing the post on the MSE floor.

The bypassing of the MSE market by directly inputting orders to another marketplace is inconsistent with the very nature of an exchange auction-type market inasmuch as a true auction market cannot exist on the Exchange floor if all orders are not integrated and exposed to all other orders which may be in existence at a given moment in time. The clearing of the MSE post prior to sending an order received or originated on the floor to another marketplace would help ensure compliance with the fiduciary responsibility of floor members to seek the best price execution of an order.

Any exception to this policy will be on a case by case basis and only at the direction of a specific customer. Any exception must be documented and reported to the Exchange. Customer directives to route elsewhere all orders in a particular stock or all stocks would not be considered as exceptions under this policy.

The Notice would also clarify that the use of Exchange facilities for receiving orders is governed by Exchange rules which require clearing the post.

The proposed rule change is consistent with sections 6(b)(1) and 6(b)(5) of the Act in that it promotes just and equitable principles of trade and serves to protect investors and the public interest by encouraging floor members to seek out and obtain execution of customer orders in the best market. It also clarifies how orders must be handled if Exchange facilities are used in receiving such orders on the floor.

B. Self-Regulatory Organization's Statement on Burden on Competition

The MSE does not believe that any burden will be placed on competition as a result of the proposed rule change.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve the proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all statements with respect to the proposed rule change that are filed with the Commission and all written communications relating to the proposed rule change between the Commission and any persons, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552 will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the MSE. All submissions should refer to File No. SR-MSE-90-07 and should be submitted by May 30, 1990.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Dated: May 1, 1990.

Jonathan G. Katz,

Secretary.

[FR Doc. 90-10827 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

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[3] Securities Exchange Act Release No. 17766 (May 4, 1981), 46 FR 25745 (May 8, 1981).

[Release No. 34-27982; File No. SR-NASD-90-9]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change Relating to Obtaining Information Pertinent to Customer Accounts

The National Association of Securities Dealers, Inc. ("NASD" or "Association") submitted on February 22, 1990, and amended on April 30, 1990,[1] to the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change pursuant to section 19(b)(1) of the Securiteis Exchange Act of 1934 ("Act") [2] and rule 19b-4 thereunder.[3] The proposal amends the NASD's Rules of Fair Practice [4] to provide that NASD members make reasonable efforts to obtain certain additional information pertaining to customer accounts.

In amending Article III, sections 2 and 21(c) of the Rules of Fair Practice, the NASD is requiring members, as well as sufficient informaiton to permit member

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[1] Amendment No. 1 reports the results of the NASD membership vote required for final action on this rule change. Seventy-seven percent (77%) of the valid ballots received indicated approval of the proposal.

[2] 15 U.S.C. 78s(b)(1) (1982).

[3] 17 CFR 240.19b-4 (1989).

[4] *NASD Manual*, paragraphs 2001 *et. seq.*

firms to make more informed determinations about accounts and investment recommendations. The NASD believes that these procedures should be strengthened, and that the amendments will provide extra protection for customers and firms.

Section 2 is to be amended to require that, prior to the execution of a transaction recommended to a noninstitutional customer, a member must make reasonable efforts to obtain information concerning that customer's financial status, tax status, investment objectives, and other information considered necessary by the member or registered representative in making recommendations to the customer. The changes to section 2 will result in a member having a more accurate profile of a customer's investment objectives and capabilities. Additionally, section 21(c) is being amended to require members to make reasonable efforts to ascertain account information (including occupation of customer and name and address of employer) prior to the settlement of the initial transaction in the account.

Notice of the proposed rule change together with the terms of substance of the proposal was provided by the issuance of a Commission release (Securities Exchange Act Release No. 27755, March 1, 1990) and by publication in the **Federal Register** (55 FR 8626, March 8, 1990). No comments were received with respect to the proposed rule change.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the NASD and, in particular, the requirements of secion 15A [5] and the rules and regulations thereunder.

It is therefore ordered, pursuant to section 19(b)(2) of the Act, that the above-mentioned proposed rule change be, and hereby is, approved.

For the Commission, by the Division of Market Regulation pursuant to delegated authority.[6]

Dated: May 2, 1990.

Jonathan G. Katz,

Secretary.

[FR Doc. 90-10828 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

[5] 15 U.S.C. 78o-3 (1982).

[6] 17 CFR 200.30-3(a) (12).

[Release No. 34-27986; File No. SR-NASD-90-16]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change Relating to NASD Assessments and Fees

The National Association of Securities Dealers, Inc. ("NASD" or "Association") submitted on March 22, 1990, to the Securities and Exchange Commission ("SEC or "Commission") a proposed rule change pursuant to section 19(b) of the Securities Exchange Act of 1934 ("Act") [1] and Rule 19b-4 thereunder.[2] The proposal amends Schedule A to the NASD's Bylaws [3] to increase an examination development fee.

In amending Schedule A of its Bylaws, the NASD is increasing the pass-through examination development fee imposed by the New York Stock Exchange ("NYSE" or "Exchange") from $10.00 to $40.00 for each individual who takes a Series 7 examination for registration as a general securities representative. This development fee will be imposed by the NYSE and merely collected by the NASD for payment to the Exchange. As such, the Exchange will independently seek the approval of the Commission for the increased fee, which it has represented as necessary to cover the increased examination development costs.

Notice of the proposed rule change together with the terms of substance of the proposal was provided by the issuance of a Commission release (Securities Exchange Act Release No. 27840, March 23, 1990) and by publication in the **Federal Register** (55 FR 11712, March 29, 1990). No comments were received with respect to the proposed rule change.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the Association and, in particular, the requirements of section 15A [4] and the rules and regulations thereunder.

It is therefore ordered, pursuant to section 19(b)(2) of the Act, that the above-mentioned proposed rule change be and hereby is, approved.

For the Commission, by the Division of Market Regulation pursuant to delegated authority.[5]

Dated: May 3, 1990.

Jonathan G. Katz,

Secretary.

[FR Doc. 90-10829 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

[1] 15 U.S.C. 78s(b)(1) (1982).

[2] 17 CFR 240.19b-4 (1989).

[3] *NASD Manual,* Schedule to the Bylaws, Schedule A, par. 1753.

[4] 15 U.S.C. 78o-3 (1982).

[5] 17 CFR 200.30-3(a)(12).

[Release No. 34-27987; File No. SR-NASD-90-26]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to Small Order Execution System Tier Size Classification

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on April 17, 1990 the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the NASD. The NASD has designated this proposal as "a stated policy, practice or interpretation with respect to the meaning, administration, or enforcement of an existing rule" under section 19(b)(3)(A)(i) of the Act, which renders the rule effective upon the Commission's receipt of this filing. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The NASD is proposing an interpretation of an existing rule, pertaining to the Association's periodic reclassification of securities in the appropriate Small Order Execution System ("SOES") maximum order size tiers, as described more fully below.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the NASD included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The

NASD has prepared summaries, set forth in sections (A), (B), and (C) below of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the rule change is to notify the Commission of the reclassification of some 416 National Market System securities within the maximum SOES order size tier levels. The Association reviews the tier levels applicable to each security periodically (approximately every size months) to determine if the trading characteristics of the issue have changed so as to warrant a SOES tier level move. Such a review was conducted as of December 31, 1989, using forth quarter, 1989 trading data and the established criteria:

A 1,000-share maximum order size for NASDAQ/NMS securities with an average daily nonblock volume of 3,000 shares a day, a bid price less than or equal to $100, and three or more market makers;

A 500-share maximum order size for NASDAQ/NMS securities with an average daily nonblock volume of 1,000 shares a day, a bid price less than or equal to $150, and two or more market makers;

A 200-share maximum order size for NASDAQ/NMS securities with an average daily nonblock volume of less than 1,000 shares a day, a bid price less than or equal to $250, and less than two market makers.

The 416 NASDAQ/NMS securities that have been reclassified as of April 16, 1990, are set out in an Exhibit to the filing with the Commission, *Notice to Members* 90–22.

The statutory basis for the proposed rule change is found in Section 15A(b)(6) of the Securities Exchange Act of 1934. Section 15A(b)(6) requires, among other things, that the rulemaking initiatives of the NASD be designed to "foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to, and perfect the mechanism of a free and open market." The NASD believes that the reassessment of securities within SOES tier levels will further these ends by providing an efficient mechanism to facilitate small order executions in the NASDAQ market.

B. Self-Regulatory Organization's Statement on Burden on Competition

The NASD believes that the proposed rule change will not result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Securities Exchange Act of 1934, as amended.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The following rule change has become effective pursuant to section 19(b)(3)(A) of the Act and subparagraph (e) of rule 19b–4 thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to the file number in the caption above and should be submitted by May 30, 1990.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30–3(a)(12).

Dated: May 3, 1990.

Jonathan G. Katz,

Secretary.

[FR Doc. 90–10830 Filed 5–8–90; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-27983; (File No. SR-NASD-90-11]

Self-Regulatory Organization; Notice of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to the Confirmation of Institutional Delivery Trades

May 2, 1990.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] notice is hereby given that on March 5, 1990 the National Association of Securities Dealers, Inc. ("NASD") filed with the Secrities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the NASD. [2] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Pursuant to the provisions of section 19(b)(1) of the Act, the NASD is filing herewith a proposed amendment to section 64 of the NASD's Uniform Practice Code ("Code"). The proposed rule change amends section 64 of the Code to prohibit NASD members from issuing duplicate confirmations for Institutional Delivery trades where a confirmation is also being issued by a depository.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change to section 64 of the Code is to eliminate duplicate confirmations for "Institutional Delivery" ("ID") trades. ID trades are trades between brokers and their institutional clients or agent banks that are executed on a delivery versus payment basis and are compared, cleared and settled through the facilities of a securities depository, such as The Depository Trust Company ("DTC"). In ID trades, the securities depository coordinates the confirmation and settlement activities between the parties through electronic, automated means. The depository issues a legal confirmation for each transaction.

[1] 15 USC 78s(b)(1) (1989).

[2] On April 24, 1990, the NASD made technical corrections to Item II.C. Letter from Suzanne E. Rothwell, Associate General Counsel, NASD, to Julius Leiman-Carbia, Staff Attorney, Division of Market Regulation, Commission (April 24, 1990)

Section 64(a)(5) of the Code and rule 387 of the New York Stock Exchange require that the facilities of a securities depository (*i.e.*, DTC's ID system) shall be utilized for the confirmation of all depository eligible transactions.

On January 31, 1983, the Division of Market Regulation issued a "no action" letter to DTC stating that brokes that participate in the DTC ID system need not send duplicate confirmations to their customers. Despite this advice, NASD members participating in the DTC ID system have persisted in sending out duplicate, paper confirmations, possibly resulting in considerable confusion as the two confirmations may be sent to different recipients at the institutional customer or its agent bank. In certain cases, the recipient of the duplicate confirmations may result in a duplicate entry of the same transaction on books of the institution or its agent bank.

The proposed rule change to subsection (a)(3) of section 64 of the Code would prohibit the sending of duplicate confirmations in transactions covered by subsection (a)(5) of the Code. The NASD believes that the issuance of confirmations other than those generated through the ID System for ID eligible securities transactions is inefficient, costly, and confusing to the recipient.

The NASD has adopted the proposed rule change pursuant to section 15A(b)(6) of the Act. In pertinent part, section 15A(b)(6) mandates that the rules of a national securities association be designed to "foster cooperation and coordination with persons engaged in regulating, clearing, settling and facilitating transactions in securities * * *." The NASD believes that the proposed rule change is consistent with these objectives.

B. Self-Regulatory Organization's Statement on Burden on Competition

The NASD does not believe that the proposed rule change imposes any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six-copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number SR-NASD-90-11 and should be submitted by [insert date 21 days from the date of this publication].

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 90-10831 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 35-25081]

Filings Under the Public Utility Holding Company Act of 1935 ("Act")

May 2, 1990.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by May 29, 1990 to the Secretary, Securities and Exchange Commmission, Washington, DC 20549, and serve a copy on the relevant applicant(s) and/or declaration(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Indiana Energy, Inc., et al. (70-7640)

Indiana Energy, Inc. ("IEI"), 1630 North Meridian Street, Indianapolis, Indiana 46202, an Indiana corporation and public-utility holding company exempt from registration under Section 3(a)(1) of the Act pursuant to Rule 2, has filed an application and amendments thereto pursuant to Sections 9(a)(2) and 10 of the Act. IEI proposes to acquire all of the issued and outstanding shares of capital stock of Terre Haute Gas Corporation ("Terre Haute"), a wholly owned public-utility subsidiary of Indiana Gas & Chemical Corporation ("IGCC"), an Indiana public-utility holding company exempt from registration under Section 3(a)(1) of the Act by order dated August 11, 1950 (Holding Company Act Release No. 10028). IEI also proposes to acquire all of the issued and outstanding shares of capital stock of Richmond Gas Corporation ("Richmond"), a privately held Indiana gas utility company. The shareholders of IEI, Richmond and IGCC approved the acquisitions on March 14, 1990. Following the acquisitions, Richmond and Terre Haute would be merged with or into IEI's principal subsidiary, Indiana Gas Company, Inc. ("Indiana Gas"), an Indiana public utility company, if such combination is approved by the Indiana Utility Regulatory Commission.

Indiana Gas provides natural gas and transportation services to approximately 340,000 residential, commercial and industrial customers in north central, central and southern portions of Indiana. Richmond provides natural gas and transportation services to approximately 14,000 residential,

commercial and industrial customers in east central Indiana. As of September 30, 1989, Richmond reported total assets of $16,079,000. Richmond has 200,000 authorized shares of common stock, no par value, of which 100,000 shares are issued and outstanding, and 500 authorized shares of 5% Cumulative Preferred Stock, par value $100 per share, none of which are issued and outstanding. Terre Haute provides natural gas and transportation services to approximately 34,500 residential, commercial and industrial customers in west central Indiana. As of September 30, 1989, Terre Haute reported total assets of $29,648,000. Terre Haute has 10,000 authorized shares of common stock, no par value, all of which are issued and outstanding.

IEI proposes to acquire all of the 100,000 issued and outstanding shares of Richmond common stock, no par value, for an aggregate consideration of $18,848,500 in cash and IEI common stock. The acquisition will be effectuated through IEI Acquisition Corporation ("Acquisition Corp."), a wholly-owned subsidiary of IEI incorporated for the sole purpose of facilitating the purchase of Richmond. Acquisition Corp. will be merged with and into Richmond, and each share of common stock, without par value, of Acquisition Corp. which is issued and outstanding immediately prior to the effective time of the merger will be cancelled. Richmond subsequently will become a wholly-owned subsidiary of IEI.

Pursuant to this merger, each share of Richmond common stock will be exchanged for that number of shares of common stock of IEI obtained by dividing (a) $188.485 less the pro rata portion of expenses incurred by Richmond in connection with the Richmond/Acquisition Corp. merger (the "Cash Election Price") by (b) the average of the closing sale prices of IEI common stock as reported in the New York Stock Exchange-Composite Transactions on each of the fifteen consecutive trading days ending on the fifth trading day prior to the closing of the transaction (the "Average IEI Price"). Alternatively, shares of Richmond common stock may be cashed in for the Cash Election Price subject to the limitation that the maximum amount of cash payable by IEI will not exceed $3,634,000. If the Average IEI Price is less than $15.00 per share, IEI may terminate the transaction or elect to issue a maximum of 1,260,000 shares of IEI common stock and cash in an amount equal to the difference between (a) the product of (i) the Cash Election Price times (ii) the number of shares of Richmond common stock outstanding, and (b) the product of the number of shares of IEI common stock issued times the Average IEI Price.

IEI also proposes to acquire all of the 10,000 issued and outstanding shares of Terre Haute common stock, without par value, for an aggregate consideration of $43,100,000 in cash and IEI common stock. IEI will acquire each share of Terre Haute common stock, on which an effective election to receive cash has been made, for $4,310.00. IEI will acquire each remaining share of Terre Haute common stock in exchange for that number of shares of IEI common stock obtained by dividing $4,310.00 by the Average IEI Price. If the Average IEI Price is less than $15.00 per share, IEI may terminate the transaction or elect to issue a maximum of 2,873,333 shares of IEI common stock and pay IGCC cash in an amount equal to (a) $43,100,000 less (b) the product of (i) the number of shares of IEI common stock issued times (ii) the Average IEI Price. Ten percent of the aggregate number of whole shares of IEI common stock issuable in exchange for the outstanding shares of Terre Haute common stock and cash equal to ten percent of the cash paid to IGCC will be placed in escrow to provide for certain contingencies.

IGCC, 632 Cherry Street, Terre Haute, Indiana 47807, joins in the application because, as described further below, it will own 5% or more of the outstanding capital stock of IEI pending the liquidation of IGCC and distribution of the IEI common stock to the stockholders of IGCC. Certain other parties join IGCC in the application, in part because they presently own, directly and indirectly, interests which may cause them to be affiliates of IEI and holding companies over IEI as a result of these transactions. These parties include the following. Hulman & Company ("Hulman"), 900 Wabash Avenue, Terre Haute, Indiana 47807, an Indiana corporation and a public-utility holding company exempt from registration under Section 3(a)(1) of the Act pursuant to Rule 2, presently owns approximately 62.9% of the outstanding common shares of IGCC. Hulman is joined in the application by three trusts, the Anton Hulman, Jr. Real Estate Trust (the "Real Estate Trust"), the Grace Hulman Estate Trust (the "Estate Trust") and the Anton Hulman, Sr. Trust (the "Senior Trust"), as well as by Mari Hulman George, the trustee of the Senior Trust, and Jack R. Snyder, the co-trustee of the Real Estate Trust and the Grace Hulman Estate Trust (the "Estate Trust") (collectively, the "Hulman Interests"). The other co-trustee of the latter two trusts, Merchants National Bank & Trust Company, does not join in the application because it is exempt from Section 9(a)(2) of the Act pursuant to Rule 3(b)(3). As of March 23, 1990, the following parties own more than 10% of the outstanding common stock of Hulman, as shown below:

Holder	Percentage owned
Real Estate Trust (beneficiaries are the descendants of Anton Hulman, Jr.)	32.3
Estate Trust (beneficiaries are the descendants of Grace Hulman)	11.1
Senior Trust (beneficiaries are the descendants of Anton Hulman, Sr.)	27.6
Mari Hulman Geoge (member of the Hulman family and a resident of Indiana)	26.9

Following IEI's acquisition of Richmond and Terre Haute, and IGCC's liquidation and distribution of its assets, Hulman expects to own approximately 9.8% to 10.9% of the outstanding IEI common stock. The transaction will not affect the ownership of Hulman's outstanding common stock. The Real Estate Trust, the Estate Trust, Mari Hulman George and Jack R. Snyder will indirectly acquire IEI common stock pursuant to the transaction. Mari Hulman George will also directly acquire IEI common stock pursuant to the transaction. Any applicant that is a holding company as defined in section 2(a)(7)(A) as a result of the transactions will file for exemption as a holding company under section 3(a)(1) of the Act pursuant to rule 2. Although Merchants National Bank & Trust Company will not join in any such filing because it is exempt from the Act as a holding company pursuant to rule 3(a)(2).

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 89-10825 Filed 5-8-89; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-27973; File No. SR-MSE-90-06]

Self-Regulatory Organizations; Filing and Immediate Effectiveness of Proposed Rule Change by Midwest Stock Exchange, Inc. Relating to Fee Schedule for Floor Broker Fees

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on April 16, 1990, the Midwest Stock Exchange, Inc. ("MSE" or

"Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The MSE proposes to modify its fee schedule for floor broker fees as follows:

[Deletions bracketed]
Transaction Fee Schedule
Floor Broker and Specialist Fees

25¢ per trade plus 1½¢ per $1,000 of valuation payable on round lot sales (or major fraction thereof) as principal whenever the Specialist makes sale as principal on Midwest.

4¢ per $1,000 of volume payable on round lot sales (or major fraction thereof) as principal whenever the Floor Broker makes such sale as principal on Midwest.

1.575% of monthly commissions earned by the Floor Broker.

[Members or member organizations executing transactions on the Floor of the Exchange which originate from off the Floor through their own (or associated) Floor Broker will be charged a rate of 1½% of such members' or member oganization's monthly transaction fees.]

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

Currently, the MSE imposes a fee on those members who execute transactions from off the floor through their own (or associated) floor broker. The purpose of the proposed rule change is to eliminate this fee in order to encourage those members, who prefer to execute transactions through their own floor broker, to increase transactions on the MSE floor.

The proposed fee schedule is consistent with section 6(b)(4) of the Act in that it provides for the equitable allocation of reasonable dues, fees and other charges among MSE members.

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

No written comments were solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing rule change establishes or changes a due, fee or other charge imposed by the Exchange, it has become effective pursuant to section 19(b)(3)(A) of the Act and Securities Exchange Act Rule 19b-4. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the MSE. All submissions should refer to File No. SR-MSE-90-06 and should be submitted by May 30, 1990.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Dated: May 1, 1990.

Jonathan G. Katz,

Secretary.

[FR Doc. 90-10834 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-27977; File No. SR-NASD-89-25]

Self-Regulatory Organizations; Filing of Amendment to Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to Risk Management Features for the Automated Confirmation Transaction System

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on March 22, 1990, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("Commission") Amendment No. 3 to the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the NASD. The Commission is publishing this notice to solicit comments on the Amendment from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule change

Amendment No. 3 to SR-NASD-89-25 sets forth a new section in the proposed "Rules of Practice and Procedures for the Automated Confirmation Transaction Service" ("ACT Rules") to include a "Super Cap" calculation for risk management purposes. The proposed super cap is designed to enhance notice to ACT participants that certain trades may not compare, and to place a limit on exposure to large trades for firms that clear for correspondent broker-dealers. The super cap is a calculation derived from the amount that a clearing firm establishes it would be willing to clear in a single day for its correspondent executing brokers (the daily gross threshold). If during the trading day the correspondent firm exceeds twice the daily gross threshold for purchases or sales, with a minimum of $1,000,000, the super cap will be penetrated. Once penetrated, ACT super cap processing will produce a notice to ACT participants that the correspondent has exceeded the cap and will require clearing firm acceptance of "sizeable" trades.

This Amendment also certifies the concept of the "Gross Dollar Threshold" as described in Amendment No. 2 to the

ACT Rules.[1] The gross dollar threshold is actually two thresholds that allow separate levels for purchases and sales, rather than one threshold amount aggregating the trade values.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the NASD included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The NASD has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The ACT Service is designed to facilitate the comparison and clearing of inter-dealer over-the-counter equity trades. ACT requires input of trade information in close proximity to the time of execution by the participants to the trade, and ACT processing matches or compares trade data and submits matched "locked-in" trades to clearing. Participation in ACT by self-clearing firms was approved by the Commission in September 1989,[2] and the NASD has been phasing in the service since that time. Self-clearing broker-dealers with NASDAQ compatible equipment, both terminal-based and computer interface, have begun participating and, as of February 2, 1990, all NASDAQ securities have been eligible for inclusion in ACT processing.

Rules requiring participation in ACT for firms that clear for other broker-dealers (correspondent executing brokers) have not yet been approved by the Commission because the clearing firms and the Association have been engaged in discussions regarding the risk management features of ACT. Separate daily gross thresholds for purchases and sales and "super caps" corresponding to those buy and sell thresholds are two such risk management features.

The Association believes that these additional risk management features are responsive to the concerns of the clearing firms and yet maintain the integrity of the ACT system as initially proposed.

a. Gross Daily Thresholds

Initially, ACT risk management featured a net trade calculation that provided for the ACT system to offset the value of purchases and sales during the trading day, aggregating clearing firm exposure into one net amount. Discussions with clearing firms revealed concerns about risk exposure with the netting feature, and the Association, in Amendment No. 2 to the ACT filing, changed the concept to a gross threshold amount, adding purchases and sales together. Amendment No. 3 would establish two gross dollar thresholds for each correspondent firm, separate amounts for purchases and sales, to be established by the clearing firms.

The ACT system will accumulate running totals for all buy and sell trade entries involving each correspondent broker. Each clearing firm will be able to establish separate daily purchase and sale thresholds for each correspondent. These accumulations will reflect all trade entries into ACT, whether or not compared. The NASD will advise the clearing firm upon the penetration of either threshold, as well as provide a pre-alert notice that a threshold is being approached. The pre-alert level will be a uniform percentage of each threshold, currently set at 70%. Threshold alert and pre-alert notifications will be sent to both the clearing firm and the appropriate correspondent as well as to NASDAQ Operations. Clearing firms will have the option of setting the thresholds as unlimited, and may redefine the threshold values at any time during the day. Also, a clearing firm may elect at any time to cease to act for a correspondent broker and may take systematic action to remove the firm from participation in ACT.

b. Super Caps

The super cap calculation is derived from the daily gross thresholds and is designed to provide clearing firms with assistance in controlling their total liability due to the trading activity of a correspondent firm. A super cap is an amount calculated by the ACT system to be two times the applicable threshold, with a minimum value of $1,000,000. Because daily thresholds are capable of being adjusted by the clearing firm at any time during the day, an intra-day adjustment to a threshold value would result in a proportionate adjustment to the corresponding super cap.[3]

Only trades compared by ACT on trade date would accumulate into the super cap computation, minimizing the chance that a one-sided erroneous or malicious trade entry could cause the super cap to be penetrated. These super cap totals would be accumulated on a calendar day rather than trade day basis, so that if an "as-of" trade from Monday is entered into ACT on Tuesday, the amount of that trade would be aggregated with Tuesday's trades. If a correspondent firm's super cap is penetrated, several things will occur:

• If the correspondent is a market maker, a symbol will be placed next to that firm's NASDAQ quotes on all issues in which they make a market.

• If the correspondent is not a market maker, ACT participants will be notified via a broadcast message to Level 2/3 terminals.

• All "sizeable" trades (e.g., over $200,000) will be subject to positive affirmation by the clearing firm.[4] The clearing firm will have fifteen (15) minutes in which to accept the trade; if it is not accepted during this 15 minute period, the trade will be rejected. During the 15 minutes, the contra party will be notified that their trade is subject to clearing firm acceptance.[5]

• Super cap procedures will stay in place (carrying over to the next day) until the clearing firm takes an affirmative action to remove the participant from super cap processing. This is accomplished by increasing the correspondent's threshold amount and/or by removing the super cap processing field on the Risk Management screen or by electing to cease to act for the correspondent broker.

When a clearing broker ceases to act for a correspondent, all NASDAQ subscribers will be notified that the correspondent no longer has a clearing arrangement with that clearing firm. Upon a clearing firm's election to cease to act for a correspondent, the system will not accept any additional trade entries against or by that firm. However, until the end of the day, the correspondent will retain the ability to browse and accept or reject previous contra-party trade entries, or cancel its trade entries made prior to the clearing firm's action. All trades subsequently accepted in additon to all trade entries that were neither rejected nor withdrawn by the entering firm, will be sent to clearing as compared trades involving the clearing firm, either at the end of that day or on T+1.

[1] Securities Exchange Act Release No. 27229 (Sept. 7, 1989), 54 FR 38484.

[2] *Id.*

[3] The super cap minimum value, however, would not be allowed to fall below the value of compared trades at the time of the adjustment, plus the minimum value of $1,000,000.

[4] Current data shows that approximately 130 trades, on average, per day would fall into the "sizeable trade" category of over $200,000.

[5] Super cap processing will not include any locked-in trades by other NASD systems (e.g., SOES, OCT, ACES) that may fall into the sizable trade definition.

The statutory basis for the Amendment to the proposed rule change is found in section 15A(b)(6) of the Act. Among other things, section 15A(b)(6) requires that the Association's rulemaking initiatives be designed to foster cooperation and coordination with persons engaged in clearing, settling and facilitating transactions in securities. As described in detail above, the ACT service will facilitate the prompt and accurate clearance and settlement of trades by comparing the trades automatically and transmitting locked-in trades to clearing.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Association believes that Amendment No. 3 to the proposed rule change does not impose any burden on competition not necessary or appropriate in furtherance of purposes of the Act. Although use of the ACT system will be mandatory for all broker-dealers with clearing arrangements, the benefits of ACT, increasing the efficiency of post trade comparison and reducing the length of time that investors and members are exposed to market risk from uncompared trades, outweigh any potential competitive burden.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Comments on Amendment No. 3 were neither solicited nor received; however, copies of this Amendment were furnished to representatives of the SIA Clearing Sub-Committee for their review before filing with the Commission, and that Committee reported that the Amendment accurately reflects discussions between the NASD and the SIA on the risk management features for ACT.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the NASD consents, the Commission will:

A. By order approve such proposed rule change, or

B. Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-89-25 and should be submitted by May 30, 1990.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Dated: May 2, 1990.

Jonathan G. Katz,

Secretary.

[FR Doc. 90-10835 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-27981; File No. SR-NYSE-90-06]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Order Approving Proposed Rule Change Relating to Odd-Lot Pricing

On February 12, 1990, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") [1] and Rule 19b-4 thereunder,[2] a proposed rule change to amend Exchange Rule 124 and the Exchange's odd-lot pricing algorithm in order to include certain superior priced quotations from other market places.

The proposed rule change was noticed in Securities Exchange Act Release No. 27760 (March 5, 1990), 55 FR 9238 (March 12, 1990). No comments were received on the proposal.

The NYSE proposes to amend Exchange Rule 124 in order to establish new odd-lot [3] pricing procedures. The Commission approved the Exchange's current odd-lot pricing procedures as a pilot program in December 1987.[4] Under the existing rules, standard odd-lot market orders are executed at a price based on the prevailing NYSE quotation in the stock at the time that the order is received. No odd-lot differential is charged on such orders.[5] Prior to the 1987 pilot program, standard odd-lot market orders were routed to a specialist and held in the system until a round-lot execution in that security took place on the Exchange. Subsequent to the round-lot execution, the odd-lot order received the same price as the round-lot, plus or minus an odd-lot dealer differential.

In its 1987 and 1989 Approval Orders, the Commission requested that the Exchange continue to study odd-lot pricing. The Commission expressed concern that odd-lot orders could receive executions at less than the best available price since the Exchange's pricing formula did not include quotations from other markets. The Commission, therefore, requested that the Exchange analyze the difference between using the best bid or offer disseminated by markets participating in the Intermarket Trading System ("ITS") [6] without an odd-lot differential and the NYSE bid and offer and no differential to price odd-lot orders.[7] The

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[1] 15 U.S.C. 78s(b)(1) (1982).

[2] 17 CFR 240.19b-4 (1989).

[3] An odd-lot market order is an order of less than a unit of trading to buy, sell, or sell short, which carries no further qualifying notations. The normal trading unit, or round-lot, is 100 shares.

[4] See Securities Exchange Act Release No. 25177 (December 7, 1987), 52 FR 47472 (December 14, 1987) ("1987 Approval Order") which approved a two year pilot program for odd-lot pricing. The Commission recently extended this program for an additional year. See Securities Exchange Act Release No 27495 (December 1, 1989), 54 FR 50676 (December 8, 1989) ("1989 Approval Order").

[5] A differential is a charge paid by the customer to the specialist odd-lot dealer for executing the order.

[6] The ITS is an electronic communications network which links eight markets—the New York, American, Boston, Cincinnati, Midwest, Pacific, and Philadelphia Stock Exchanges and the National Association of Securities Dealers.

[7] The NYSE has conducted the requested pricing analysis. The Exchange found that post-opening odd-lot market orders comprised only about one-third of total Exchange odd-lot volume. In addition, approximately 93 percent of the time the Exchange's quotation constituted or equaled the best quotation among ITS participants. Finally, in approximately 20 percent of the instances where the ITS quotation was better than the NYSE's quotation, the Exchange stated that the "better" quotation appeared to result from "autoquotes" of regional exchanges lagging behind a changed NYSE quotation. See Securities Exchange Act Release No. 27760 (March 5, 1990), 55 FR 9238 (March 12, 1990).

Commission also requested that the Exchange consider the feasibility of implementing a pricing system using the best bid or offer of markets participating in the ITS.

The NYSE now proposes to revise Exchange Rule 124's odd-lot pricing procedures in order to establish the use of a "Best Pricing Quote" ("BPQ") to provide odd-lot customers with the best prices available in the national market system. The BPQ, which will be selected from either the Exchange's quotation or certain quotations in other ITS markets, is the highest bid and lowest offer, respectively, disseminated by the Exchange or by another market center participating in ITS. In order to protect against the inclusion of incorrect or stale quotations in the BPQ, however, the Exchange proposes to include quotations in a stock from other markets only if:

—The stock is included in ITS in that other market;
—The quotation is for more than 100 shares, since autoquotes are limited to 100-share size, and 100-share quotes are exempt from ITS price protection rules; [8]
—The bid or offer is not more than one-quarter point away from the Exchange's bid or offer, since such a bid or offer would appear questionable;
—The quotation conforms to Exchange Rule 62 governing minimum variations;
—The quotation does not create a locked or crossed market;
—The market disseminating the quotation is not experiencing operational or system problems with respect to the dissemination of quotation information; and
—The quotation is "firm" pursuant to the SEC's and the market's rules.

If an ITS quotation from another market is not used because it fails to meet one of the above criteria, the BPQ will be selected from the best bid or offer disseminated by the Exchange.

As a result of the proposed rule change, standard odd-lot market orders will be executed at the BPQ in the stock at the time that the order is received by the Exchange's odd-lot system. No differential will be charged. The proposal also provides that if the BPQ is not available, standard regular way odd-lot market orders will be executed by means of the odd-lot system at the price of the last Exchange round-lot sale or will be executed by the odd-lot dealer at a price deemed appropriate under prevailing market conditions. A market order to sell marked "short exempt" will be executed at the price of the BPQ bid at the time the order is received by the odd-lot system. All standard odd-lot market orders entered prior to the opening of trading will continue to automatically receive the opening price. The pricing procedures will apply to orders to buy on the offer and orders to sell on the bid marked "long." Finally, the proposal will continue to prohibit odd-lot differentials for the above transactions.

The NYSE states that this proposal responds to the Commission's concern that odd-lot pricing procedures ensure the best available price for odd-lot orders in all circumstances. The NYSE believes that the proposed BPQ will provide odd-lot customers with the best prices available in the national market system. The NYSE also believes that its requirements for the use of the BPQ will address the problems raised by the inclusion of incorrect or stale quotations in the odd-lot pricing system.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of section 6(b)(5) [9] of the Act. The Commission believes that the Exchange's proposed pricing procedures for standard odd-lot market orders should facilitate the execution and accurate reporting of odd-lot transactions, and also should assist in the prompt and accurate clearance and settlement of such transactions. Because the orders will be priced off a current market quote instead of a subsequent transaction, investors should receive a more timely execution of their orders. Moreover, the Commission believes that the revised procedures, which provide for the pricing of standard odd-lot market orders at the BPQ rather than only at the prevailing NYSE quote, will result in orders which should receive execution prices that more accurately reflect market conditions than would otherwise by the case under former procedures.

The Commission believes that the proposed amendments to Rule 124 adequately address the Commission's concern that odd-lot orders receive the best prices available in the market. Because the BPQ is based on the highest bid and lowest offer disseminated by the Exchange or another market system participating in the ITS at the time the Exchange receives the order, the proposal will ensure that customers receive the best execution, both in terms of price and time, for standard odd-lot market orders.

The Commission also believes that it is reasonable for the Exchange to set certain requirements to trigger the use of the BPQ in the odd-lot pricing system. The limited prerequisites for the use of the ITS quote are appropriate to protect the automatic execution feature of the odd-lot pricing system against the inclusion of aberrant quotations. Although the ITS quote remains the Commission's preferred method of pricing standard odd-lot orders, the Commission recognizes that the use of the ITS may not always be practicable for the Exchange. The Commission believes that, in the instances enumerated by the Exchange, it is appropriate to use the NYSE best bid or offer. Moreover, because the NYSE's proposal will continue to ensure that a differential is not charged for odd-lot market orders, even those few orders only receiving the NYSE quote will be executed cheaper than under the pre-1987 system.

The Commission also believes that, when the BPQ is unavailable, it is acceptable for the NYSE to price standard odd-lot market orders at the price of the last Exchange round-lot sale or at a price deemed appropriate under prevailing market conditions by the odd-lot dealer. In this way, the Exchange continues to provide for procedures which will facilitate the execution of odd-lot orders.

The Commission believes that the proposal's provision which continues to prohibit odd-lot differentials for standard odd-lot market orders will further the Commission's objective of ensuring that customers receive the best execution of such orders. The Commission notes that this prohibition will apply whether the BPQ or the alternate pricing procedures are used for odd-lot orders. Thus, the price charged for the execution of standard odd-lot market orders will reflect the market's price without additional transaction costs.

It therefore is ordered, Pursuant to section 19(b)(2) of the Act,[10] that the proposed rule change is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[11]

Dated: May 2, 1990.

Jonathan G. Katz,

Secretary.

[FR Doc. 90-10836 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

[8] See New York Stock Exchange Rule 15A(b)(3)(A).

[9] 15 U.S.C. 78f(b)(5) (1982).

[10] 15 U.S.C. 78s(b)(2) (1982).

[11] 17 CFR 200.30-3(c)(12) (1989).

[Rel. No. IC-17466; 812-7361]

Re-Notice of Application; NeoRx Corp.

May 1, 1990.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Re-notice of application for order under the investment Company Act of 1940 ("Act").

APPLICANT: NeoRx Corporation.

RELEVANT 1940 ACT SECTION: Order requested under section 3(b)(2) of the Act.

SUMMARY OF APPLICATION: Applicant seeks an order declaring that it is not an investment company as defined in section 3(a) of the Act.

FILING DATES: The application was filed on July 26, 1989 and amended on December 26, 1989, March 2, 1990 and April 11, 1990.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving Applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on May 25, 1990, and should be accompanied by proof of service on the Applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington, DC 20549; Applicant, NeoRx Corporation, 410 West Harrison, Seattle, Washington 98119, attention: Robert M. Littauer, with a copy to Jan M. Aalbregtse, Stoel Rives Boley Jones & Grey, 36th Floor, One Union Square, 600 University Street, Seattle, Washington 98101.

FOR FURTHER INFORMATION CONTACT: Marc Duffy, Staff Attorney, (202) 272-2511, or Max Berueffy, Branch Chief, (202) 272-3016.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch or by contacting the SEC's commercial copier at (800) 231-3282 (in Maryland (301) 258-4300).

REASONS FOR REPUBLICATION OF NOTICE: 1. A notice of this application was previously issued in Investment Company Act Release No. 17328 (February 1, 1990). This second notice is being issued because NeoRx has recharacterized its investment securities and cash equivalents and because, if granted, the requested relief will not be subject to the conclusions set forth in the original notice.

APPLICANT'S REPRESENTATIONS: 2. NeoRx is a development stage company primarily engaged in developing proprietary technologies for *in vivo* (*i.e.*, in the body) detection and treatment of cancer. NeoRx is working to develop monoclonal antibody-based pharmaceutical products. NeoRx is developing proprietary technologies to conjugate (*i.e.*, to link a variety of agents to monoclonal antibodies and deliver the resulting conjugates to cancer cells.

3. NeoRx began operations in February 1984, and was incorporated under Washington law in May 1984. On August 11, 1988, NeoRx completed its initial public offering and became a reporting company under the Securities Exchange Act of 1934. The sale of equity securities raised $52,000,000 from February 1984 to March 1989. On June 7, 1989, NeoRx completed an offering of 9¾% convertible subordinated debentures due 2014. This debt offering raised $27,000,000.

4. NeoRx has derived no revenue from the sale of its products. It has derived substantially all of its revenue from development and licensing agreements and from government research contracts. A development and licensing agreement with Kodak has provided $13 million in revenue and government sponsored research activities have provided $2.3 million. Revenue from investments constituted between 17% and 34% of total revenue over the previous four quarters.

5. NeoRx has invested the proceeds from its equity and debt offerings in cash, cash equivalents, and investment securities. Large cash reserves and liquid assets are necessary to fund NeoRx's research and development activities. NeoRx anticipates using the proceeds from the initial public offering and sale of debentures to fund future research and development activities. By using its funds for these purposes, NeoRx anticipates depleting its reserves of cash, cash equivalents and investment securities in 1992, excluding the proceeds of additional financing.

APPLICANT'S LEGAL ANALYSIS: 6. Under section 3(a)(3) of the Act, the term "investment company" includes any issuer which

> is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40 per centum of the value of such issuer's total assets (exclusive of Government securities and cash items) on an unconsolidated basis.

7. As of December 31, 1989, NeoRx had 23% of its total assets, at book value, invested in investments that might be classified as investment securities. NeoRx also had $22,103,000 in Government securities. While NeoRx may change the proportion of its total assets invested in investment securities, it will nevertheless follow its investment policies in making its investments. NeoRx will also refrain from investing or trading for short-term speculative purposes.

8. In addition to its investment securities, NeoRx has significant intangible assets, such as issued patents and applications for unissued patents, to which it has attributed no value. NeoRx believes that if the fair value of these intangibles was considered, the fair market value of NeoRx's investment securities would be substantially less than 40% of the fair market value of its total assets.

9. Notwithstanding section 3(a)(3) of the Act, the Commission may, pursuant to section 3(b)(2), issue an order declaring an issuer to be primarily engaged in a business other than that of investing, reinvesting, owning, holding, or trading in securities.

10. NeoRx's historical development, public representations of policy, the activities of its officers and directors, the nature of its assets, and the sources of its income all demonstrate the NeoRx is primarily engaged in developing pharmaceutical products and thus is primarily engaged in a business other than that of investing, reinvesting, owning, holding or trading in securities within the meaning of section 3(b)(2) of the Act.

11. Since its formation in 1984, NeoRx has historically engaged in the development of monoclonal antibody-based pharmaceutical products. Since April 1989, NeoRx has placed greater emphasis on development of its rhenium-labeled monoclonal antibodies and terminated its non-radionuclide programs. NeoRx was formed for this purpose and its activities since formation have been directed to developing these pharmaceutical products.

12. In its prospectuses, disclosure documents filed under the Securities Exchange Act of 1934, and annual reports to stockholders, NeoRx has represented that it is engaged in the business of developing pharmaceutical products. The prospectuses state that substantially all of the proceeds from the sale of stock and debentures will be used to finance operating losses from

research and development, to pay for selling, general and administrative expenses and to finance the interest on its debentures.

13. All of the officers and directors dedicate substantially all of their working time for NeoRx to operational and administrative activities. Only two of NeoRx's 170 employees devote time to making investments. One of these employees devotes less than five percent (5%) of his time and the other less than ten percent (10%) to the process of making investments. The director's involvement has been to adopt guidelines for investing excess cash by NeoRx's officers.

14. Although NeoRx has obtained a substantial portion of its revenue from interest income, this is because it is in the development stage and does not yet generate significant revenue from operations. NeoRx's losses result primarily from research and development and general and administrative expenses related to pharmaceutical development.

15. NeoRx states that the Act was not intended to regulate operating companies engaged in the technology industries. Subjecting NeoRx to the provisions of the Act would result in redundant protection with respect to a company registered under the Securities Exchange Act of 1934, misleading presentation of financial information, expensive, burdensome and unnecessary regulation, and forced changes in business.

16. NeoRx states that it is in the public interest for the Commission to issue an order pursuant to section 3(b)(2) of the Act declaring NeoRx to be primarily engaged in a business other than that of investing, reinvesting, owning, holding or trading in securities.

For the Commission, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 90-10818 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-17465; 811-6095]

The Poland Fund, Inc.; Notice of Application

May 1, 1990.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for deregistration under the Investment Company Act of 1940 (the "1940) Act").

APPLICANT: The Poland Fund, Inc.

RELEVANT 1940 ACT SECTION: Section 8(f).

SUMMARY OF APPALICATION: : Applicant seeks an order declaring that it has ceased to be an investment company under the 1940 Act.

FILING DATE: The application on Form N-8F was filed on April 19, 1990.

HEARING OR NOTIFICATION OF HEARINGS: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on May 29, 1990, and should be accompanied by proof of service on applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interests, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549. Applicant, 1345 Avenue of the Americas, New York, New York 10105.

FOR FURTHER INFORMATION CONTACT: Robert B. Carroll, Staff Attorney, at (202) 272-3043, or Jeremy N. Rubenstein, Branch Chief, at (202) 272-3023 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch or by contacting the SEC's commercial copier at (800) 231-3282 (in Maryland (301) 258-4300).

APPLICANT'S REPRESENTATIONS:

1. Applicant is a closed-end, non-diversified management investment company, incorporated under the laws of the state of Maryland. On November 20, 1989, applicant filed a Notification of Registration of Form N-8A pursuant to section 8(a) of the 1940 Act. Applicant did not file a registration statement pursuant to section 8(b) of the 1940 Act and did not make a public offering of its securities.

2. Applicant has no shareholders, assets, or liabilities. Applicant is not engaged, nor does it propose to engage, in any business activities other than those necessary to wind-up its affairs.

For the Commission, by the Division of Investment Management, under delegated authority.

Johnathan G. Katz.

Secretary.

[FR Doc. 90-10819 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-17463; 811-4477]

Selected Investment Managers Series Fund; Application for Deregistration

April 30, 1990.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: Selected Investment Managers Series Funds (formerly Selected Investment Managers Diversified Equity Fund) ("Applicant").

RELEVANT 1940 ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant seeks an order declaring that it has ceased to be an investment company under the Act.

FILING DATE: The application on Form N-8F filed on March 19, 1990.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving Applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on May 25, 1990, and should be accompanied by proof of service on the Applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington, DC 20549. Applicant, Federal Reserve Plaza, Boston, Massachusetts 02210, Attn.: John L. Davenport, Esq.

FOR FURTHER INFORMATION CONTACT: Eva Marie Carney, Staff Attorney, (202) 504-2274, or Max Berueffy, Branch Chief, (202) 272-3016 (Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person or the

SEC's commercial copier (800) 231–3282 (in Maryland (301) 258–4300).

APPLICANT'S REPRESENTATIONS:

1. Applicant is an open-end diversified management investment company organized under the laws of the Commonwealth of Massachusetts. On November 18, 1985, Applicant filed a registration statement under the Securities Act of 1933 for the Selected Investment Managers Diversified Equity Fund on Form N–1A which was declared effective June 6, 1986.

2. On July 1, 1987, the assets, subject to the liabilities, of seven companion "Selected Investment Managers" funds (the "Predecessor Funds") were transferred to correspondingly named separate series of Applicant. Shares of the series funds were thereupon distributed pro rata to the shareholders of the Predecessor Funds in liquidation of those funds, and the Predecessor Funds were deregistered pursuant to section 8(f) of the Act on March 3, 1988. The previously outstanding shares of the Diversified Equity Fund were designated as a separate series of Applicant, renamed the Selected Investment Managers Value Equity Fund. Applicant thereafter had outstanding shares of eight separate series (the "Funds"): the Selected Investment Managers Value Equity Fund, the Selected Investment Managers Growth Equity Fund, the Selected Investment Managers Income Equity Fund, the Selected Investment Managers International Equity Fund, the Selected Investment Managers U.S. Government Guaranteed Securities Income Fund, the Selected Investment Managers Diversified Fixed Income Fund, the Selected Investment Managers Tax Exempt Fixed Income Fund, and the Selected Investment Managers Tax Exempt Money Market Fund.

3. At all times, all of the shares of Applicant were held by affiliates of Liberty Asset Management Company, Applicant's fund manager and sponsor. Subsequent to June 30, 1989, these shareholders advised Applicant that they wished to redeem in cash all of their shares of the Funds. Applicant thereafter sold the Funds' portfolio securities on stock exchanges (in the case of listed securities) or in the over-the-counter market at prevailing market prices through broker-dealers unaffiliated with the Fund's fund manager or portfolio managers at usual and customary brokerage commissions (in the case of agency transactions) or dealer spreads (in the case of principal transactions). Applicant also paid the Funds' expenses.

4. As of August 27, 1989, Applicant's Value Equity Fund had 650,919.604 shares outstanding, with a net asset value per share of $9.91; Applicant's Growth Equity Fund had 574,354.458 shares outstanding, with a net asset value per share of $9.66; Applicant's Income Equity Fund had 419,694.588 shares outstanding, with a net asset value per share of $9.91; Applicant's International Equity Fund had 11,988.764 shares outstanding, with a net asset value per share of $9.95; Applicant's U.S. Government Guaranteed Securities Income Fund had 122,855.424 shares outstanding, with a net asset value per share of $9.76; Applicant's Diversified Fixed Income Fund had 247,392.026 shares outstanding, with a net asset value per share of $9.90; Applicant's Tax Exempt Fixed Income Fund had 12,244.094 shares outstanding, with a net asset value per share of $9.95; and Applicant's Tax Exempt Money Market Fund had 117,103.86 shares outstanding, with a net asset value per share of $1.00.

5. On August 28, 1989, Applicant distributed $6,452,371 to the share holder of its Value Equity Fund, $5,538,487 to the shareholder of its Growth Equity Fund, $4,160,423 to the shareholder of its Income Equity Fund, $119,307 to the shareholder of its International Equity Fund, $1,198,639 to the shareholder of its U.S. Government Guaranteed Securities Income Fund, $2,449,135 to the shareholder of its Diversified Fixed Income Fund, $121,784 to the shareholder of its Managers Tax Exempt Fixed Income Fund, and $117,151 to the shareholder of its Tax Exempt Money Market Fund.

6. No expenses were incurred in connection with the liquidation of the Funds' portfolio securities and the redemption of the Funds' shares other than normal brokerage commissions.

7. As of the filing of the application, Applicant had no shareholders, assets or liabilities, and was not engaged, nor did it propose to engage, in any business activities other than those necessary to wind up its affairs. Applicant is not a party to any litigation or administrative proceeding. On or before the date on which the requested relief is granted, Applicant will be terminated in accordance with its Declaration of Trust and Massachusetts law, and Applicant intends to execute and lodge among its records the requisite document setting forth the fact of such termination.

For the Commission, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 90–10820 Filed 5–8–90; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC–17464; 811–4497]

The Tecumseh Funds; Application for Deregistration

April 30, 1990.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: The Tecumseh Funds ("Applicant").

RELEVANT 1940 ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant seeks an order declaring that it has ceased to be an investment company under the Act.

FILING DATE: The application on Form N–8F was filed on March 15, 1990.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving Applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on May 25, 1990, and should be accompanied by proof of service on the Applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicant, Bellevue Corporate Center, 103 Bellevue Parkway, Suite 152, Wilmington, Delaware 19809, Attn.: Michael P. Malloy.

FOR FURTHER INFORMATION CONTACT: Eva Marie Carney, Staff Attorney, (202) 504–2274, or Max Berueffy, Branch Chief, (202) 272–3016 (Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person or the SEC's commercial copier (800) 231–3282 (in Maryland (301) 258–4300).

APPLICANT'S REPRESENTATIVES:

1. Applicant is an open-end diversified management investment company organized as a business trust under the laws of the Comonwealth of Massachusetts. On November 22, 1985, Applicant filed a Notification of Registration on Form N–8A, pursuant to section 8(a) of the Act. On the date,

Applicant also filed a Registration Statement on Form N-1A pursuant to the Securities Act of 1933; Applicant amended its Registration Statement on January 22, 1986. The registration statement, as amended, became effective on January 31, 1986. Applicant commenced the initial public offering of its shares on February 3, 1986.

2. At a meeting held on May 5, 1989, service contractors of The PNC Fund proposed to the Board of Trustees of Applicant that the assets and liabilities of Applicant be transferred to The PNC Fund, and that each shareholder of Applicant's portfolios receive shares of corresponding portfolios of The PNC Fund with an aggregate net asset value equal to the aggregate net asset value of such shareholder's shares of Applicant's portfolios (the "Transfer"). Subsequently, a Special Committee of the Board of Trustees of Applicant ("Special Committee"), comprised solely of disinterested trustees, was formed to consider the proposed Transfer. The Special Committee engaged its own special counsel. The Special Committee and the Board considered the Transfer at meetings held on June 2, 1989, and June 26, 1989, and approved the Transfer on August 18, 1989. A Combined Proxy Statement and Prospectus was mailed to Applicant's shareholders on September 29, 1989. On October 31, 1989, Applicant's shareholders approved the Transfer by majority vote.

3. On October 31, 1989, pursuant to an Asset Purchase and Liquidation Agreement dated September 22, 1989 between Applicant and the PNC Fund (the "Agreement"), Applicant transferred all of the assets and liabilities of its respective portfolios, including all securities of each portfolio, to corresponding investment portfolios of The PNC Fund in exchange for shares of those PNC Fund portfolios. Applicant thereafter liquidated its portfolios by distributing shares of The PNC Fund's portfolios, such that shareholders of Applicant's portfolios received that number of shares of the corresponding of The PNC Fund with an aggregate net asset value equal to the aggregate net asset value of his or her shares of Applicant's portfolio.

4. At the time of the Transfer, Applicant's Class B Prime Obligation Fund portfolio had 307,874,884.22 shares outstanding, with an aggregate net asset value of $307,874,844.22; Applicant's Class D U.S. Government Obligations Fund portfolio had 128,994,614.00 shares outstanding, with an aggregate net asset value of $128,994,614.00; and Applicant's Class E Tax-Free Money Market Fund portfolio had 106,509,901.00 shares outstanding, with an aggregate net asset value of $106,509,901.00. Each of these portfolios had a per share net asset value of $1.00. In addition, at the time of the Transfer, Applicant's Class H Equity Fund portfolio had 4,305,531.552 shares outstanding, with an aggregate net asset value of $45,335,709.94 and a per share net asset value of $10.53, and Applicant's Class G Income Fund portfolio had 3,756,451.197 shares outstanding, with an aggregate net asset value of $38,486,759.48 and a per share net asset value of $10.25. Applicant's shareholders received shares of The PNC Fund worth an aggregate amount of $627,199,867.64. No brokerage commissions were paid in connection with the Transfer. All expenses incurred in connection with the Transfer, consisting of legal fees, trustees fees and expenses associated with the Transfer were reimbursed by Provident National Bank, a subadviser to The PNC Fund and an affiliate of The Central Trust Company, N.A., Applicant's investment adviser.

5. Applicant has no shareholders, assets, outstanding debts or liabilities. Applicant is not a party to any litigation or administrative proceeding. Applicant is not engaged, nor does it plan to engage in any business activities other than those necessary to wind up its affairs. Applicant plans to file a certificate of termination with the Commonwealth of Massachusetts and Suffolk County, Massachusetts.

For the SEC, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 89-10822 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

[File No. 500-1]

Order of Suspension of Trading; Astro Enterprises, Inc.

May 4, 1990.

It appears to the Securities and Exchange Commission that there is a lack of adequate and accurate current information concerning the securities of Astro Enterprises, Inc. ("Astro"), of Vancouver, Canada, and that questions have been raised about the accuracy and adequacy of Astro's financial statements and other disclosures, developments in the market for its securities and sales of securities in the United States by its shareholders. The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to section 12(k) of the Securities Exchange Act of 1934, that trading in the securities of the above-listed company, over-the-counter or otherwise, is suspended for the period from 9:15 a.m. EDT, May 4, 1990 through 11:59 p.m. EDT, on May 13, 1990.

By the Commission.

Jonathan G. Katz,

Secretary.

[FR Doc. 90-10823 Filed 5-8-90; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Region IV Advisory Council Meeting; Public Meeting

The U.S. Small Business Administration, Region IV Advisory Council, located in the geographical area of Birmingham, will hold a public meeting 1 p.m.-4 p.m. on Tuesday, May 29, 1990, at the Huntsville-Madison County Chamber of Commerce, 225 Church Street, Huntsville, Alabama, 35804, phone (205) 535-2061, to discuss such matters as may be presented by members, staff of the U.S. Small Business Administration, or others present.

For further information, write or call James C. Barksdale, District Director, U.S. Small Business Administration, 2121 8th Avenue, North, suite 200, Birmingham, Alabama 35203, 205/731-1341.

Dated: April 25, 1990.

Jean M. Nowak,

Director, Office of Advisory Councils.

[FR Doc. 90-10849 Filed 5-8-90; 8:45 am]

BILLING CODE 8025-01-M

Region IX Advisory Council Meeting; Public Meeting

The U.S. Small Business Administration Region IX Advisory Council, located in the geographical area of Los Angeles, will hold a public meeting at 11 a.m. on Tuesday, June 12, 1990 at The Verdugo Club, 400 West Glenoaks Boulevard, Glendale, CA 91202, to discuss such matters as may be presented by members, staff of the Small Business Administration, or others present.

For further information, write or call M. Hawley Smith, District Director, U.S. Small Business Administration, 330 N. Brand Blvd., suite 1200, Glendale, CA 91203, 213/894-2977.

Dated: April 25, 1990.

Jean M. Nowak,

Director, Office of Advisory Councils.

[FR Doc. 90-10850 Filed 5-8-90; 8:45 am]

BILLING CODE 8025-01-M

Region I Advisory Council Meeting; Public Meeting

The U.S. Small Business Administration, Region I Advisory Council, located in the geographical area of Hartford, will hold a public meeting at 8 a.m., on Monday, June 4, 1990, at the Days Inn, 900 East Main Street, Meriden, Connecticut, 06450, to discuss such matters as may be presented by members, staff of the U.S. Small Business Administration, or others present.

For further information, write or call Michael P. McHale, District Director, U.S. Small Business Administration, 330 Main Street, Hartford, Connecticut, 203/240-4670.

Dated: April 30, 1990.

Jean M. Nowak,

Director, Office of Advisory Councils.

[FR Doc. 90-10851 Filed 5-8-90; 8:45 am]

BILLING CODE 8025-01-M

National Advisory Council Public Meeting

The U.S. Small Business Administration National Advisory Council will hold a public meeting beginning at 8:30 a.m. Tuesday, May 15, and closing at 12:00 noon on Wednesday, May 16, 1990 at the Omni Shoreham Hotel, 2500 Calvert Street, NW., Washington, DC to discuss such matters as may be presented by members and the staff of the U.S. Small Business Administration, or others present.

For further information, write or call Jean M. Nowak, Director, Office of Advisory Councils U.S. Small Business Administration, 1441 L Street, NW., Room 503E, Washington, DC 20416, telephone (202) 653-6748.

Dated: May 1, 1990.

Jean M. Nowak,

Director, Office of Advisory Councils.

[FR Doc. 90-10852 Filed 5-8-90; 8:45 am]

BILLING CODE 8025-01-M

Region II Advisory Council Meeting

The U.S. Small Business Administration, Region II Advisory Council, located in the geographical area of Newark, will hold a public meeting at 8:30 a.m. on Wednesday, June 30, 1990 at the Headquarters of Bellcore, Bell Communications Research, 290 West Mt. Pleasant Avenue, Livingston, New Jersey to discuss such matters as may be presented by members and the staff of the U.S. Small Business Administration, or others present.

For further information, write or call Stanley H. Salt, District Director, U.S. Small Business Administration, 60 Park Place, Newark, New Jersey 07102, (201) 645-3580.

Dated: April 23, 1990.

Jean M. Nowak,

Director, Office of Advisory Council.

[FR Doc. 90-10853 Filed 5-8-90; 8:45 am]

BILLING CODE 8025-01-M

MNC Ventures, Inc.; Notice of Issuance of a Small Business Investment Company License

[License No. 03/03-0190]

On September 18, 1989, a notice was published in the **Federal Register** (Vol. 54, No. 179, Page 38488) stating that an application has been filed by MNC Ventures, Inc., Towson, Maryland, with the Small business Administration (SBA) pursuant to the regulations governing small business investment companies (13 CFR 107.102) (1989) for a license as a small business investment company.

Interested parties were given until close of business October 17, 1989, to submit comments to SBA. No comments were received.

Notice is hereby given that, pursuant to section 301(c) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No 03/03-0190 on March 3, 1990, to MNC Ventures, Inc. to operate as a small business investment company.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: April 30, 1990.

Robert G. Lineberry,

Deputy Associate Administrator for Investment.

[FR Doc. 90-10854 Filed 5-8-90; 8:45 am]

BILLING CODE 8025-01-M

Sowa Capital Corp.; Issuance of a Small Business Investment Company License

[License No. 09/09-5385]

On July 11, 1989, a notice was published in the **Federal Register** (54-FR 29131) stating that an application had been filed by Sowa Capital Corporation, 7282 Orangethorpe Avenue, Suite 8, Buena Park, California 90621 with the Small Business Administration (SBA), pursuant to § 107.102 of the Regulations governing small business investment companies (13 CFR 107.102 (1989)), for a license to operate as a small business investment company.

Interested parties were given until the close of business October 10, 1989, to submit their comments to SBA. No comments were received.

Notice is hereby given that, pursuant to section 301(d) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 09/09-5385 on April 7, 1990 to Sowa Capital Corporation to operate as a small business investment company.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: April 30, 1990.

Robert G. Lineberry,

Deputy Associate Administrator for Investment.

[FR Doc. 90-10855 Filed 5-8-90; 8:45 am]

BILLING CODE 8025-01-M

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Reports, Forms, and Recordkeeping Requirements; Submittals to OMB on May 2, 1990

AGENCY: Department of Transportation (DOT), Office of the Secretary.

ACTION: Notice.

SUMMARY: This notice lists those forms, reports, and recordkeeping requirements imposed upon the public which were transmitted by the Department of Transportation on May 2, 1990, to the Office of Management and Budget (OMB) for its approval in accordance with the requirements of the Paperwork Reduction Act of 1980 (44 U.S.C. chapter 35).

FOR FURTHER INFORMATION CONTACT: John Chandler, Annette Wilson, or Cordelia Shepherd, Information Requirements Division, M-34, Office of the Secretary of Transportation, 400 Seventh Street, SW., Washington, DC 20590, telephone, (202) 366-4735, or Edward Clarke, or Wayne Brough, Office of Management and Budget, New Executive Office Building, Room 3228, Washington, DC 20503, (202) 395-7340.

SUPPLEMENTARY INFORMATION:

Background

Section 3507 of title 44 of the United States Code, as adopted by the Paperwork Reduction Act of 1980, requires that agencies prepare a notice for publication in the **Federal Register**, listing those information collection requests submitted to the Office of Management and Budget (OMB) for initial, approval, or for renewal under that Act. OMB reviews and approves agency submittals in accordance with criteria set forth in that Act. In carrying out its responsibilities, OMB also considers public comments on the proposed forms, reporting and recordkeeping requirements. OMB approval of an information collection requirement must be renewed at least once every three years.

Information Availability and Comments

Copies of the DOT information collection requests submitted to OMB may be obtained from the DOT officials listed in the "**FOR FURTHER INFORMATION CONTACT**" paragraph set forth above. Comments on the requests should be forwarded, as quickly as possible, directly to the OMB officials listed in the "**FOR FURTHER INFORMATION CONTACT**" paragraph set forth above. If you anticipate submitting substantive comments, but find that more than 10 days from the date of publication are needed to prepare them, please notify the OMB officials of your intent immediately.

Items Submitted for Review by OMB

The following information collection requests were submitted to OMB on May 2, 1990.

DOT No.: 3336.
OMB No.: 2125–0033.
Administration: Federal Highway Administration.
Title: Statement of Materials and Labor Used by Contractors on Highway Construction Involving Federal Funds.
Need for Information: For the FHWA to obtain information on usage of materials and labor in Federal-aid highway construction.
Proposed Use of Information: For FHWA to estimate current material usage and cost distribution on Federal-aid highway construction contracts. The information is also used by the Department of Labor in its studies in labor and material requirements by industry.
Frequency: On occasion.
Burden Estimate: 8,050 hours.
Respondents: State highway agencies.
Form(s): FHWA–47.
Average Burden Hours Per Response: 5 hours.

DOT No.: 3338.
OMB No.: 2120–0532.
Administration: Federal Aviation Administration.
Title: Pre-Employment Inquiries Data.
Need for Information: The information is needed to accelerate the hiring process of Air Traffic Controllers.
Proposed Use of Information: The form will be used to quickly collect information for preliminary investigation of applicants for Air Traffic Controller positions.
Frequency: Once.
Burden Estimate: 600 hours.
Respondents: Individuals.
Form(s): FAA Form 1600–58.
Average Burden Hours Per Respondent: 6 minutes.

DOT No.: 3339.
OMB No.: New.
Administration: Federal Aviation Administration.
Title: Race and national origin identification.
Need for Information: This data is necessary to help the FAA improve its recruitment of air traffic control specialist candidates.
Proposed Use of Information: The FAA will use the information gathered from the data form in designing effective national and regional recruitment programs that will help us target people we have had difficulty attracting and retaining through the different stages of the preemployment process.
Frequency: One time per applicant.
Burden Estimate: 2000 hours.
Respondents: Individual applicants.
Form(s): SF 181.
Average Burden Hours Per Response: 2 minutes.

DOT No.: 3340.
OMB No.: 2135–0002.
Administration: Saint Lawrence Seaway Development Corporation.
Title: Application for Preclearance.
Need for Information: Used by Canadian Seaway Authority to Clear Vessels for Seaway Transit.
Proposed Use of Information: Information is used to insure transit of both the U.S. and Canadian locks and guarantee of any tolls or charges incurred by the vessels.
Frequency: On occasion.
Burden Estimate: 1,000 hours.
Respondents: 1,000.
Form(s): slvm 429–01–80 (Canada).
Average Burden Hours Per Respondent: 1 hour.

DOT No.: 3341.
OMB No.: 2135–0003.
Administration: Saint Lawrence Seaway Development Corporation.
Title: Transit Declaration.
Need for and Proposed Use of Information: Assess toll-charges for Seaway Transit.
Frequency: On occasion.
Burden Estimate: 2,500 hours.
Respondents: 5,000.
Form(s): slvm 755–11–77 (Canada).
Average Burden Hours Per Response: 30 minutes.

DOT No.: 3342.
OMB No.: New.
Administration: Federal Aviation Administration.
Title: Runway "Hold-Short" Lighting System Evaluation Questionnaire.
Need for Information: This information is needed to make a reliable decision regarding the adequacy of the "Hold-Short" lights.
Proposed Use of Information: The FAA will be using the requested information in a final report based largely on pilot response to the questionnaire.
Frequency: One time.
Burden Estimate: 8 hours.
Respondents: Individuals (Pilots using the runway equipped with that lighting system at Logan International Airport.)
Form(s): Questionnaire.
Average Burden Hours Per Respondent: 5 minutes.

DOT No.: 3343.
OMB No.: 2120–0063.
Administration: Federal Aviation Administration.
Title: Airport Operation Certificate.
Need for Information: The information is needed to show the means and procedures whereby the airport will be operated in compliance with FAR part 139.
Proposed Use of Information: The information is used to ensure that airports meet all the requirements for certification under FAR part 139.
Frequency: On occasion.
Burden Estimate: 179,950 hours.
Respondents: State and local governments.
Form(s): FAA Forms 5280–I and 5280–2.
Average Burden Hours Per Respondent: 36 reporting hours and 243 recordkeeping hours.

DOT No.: 3344.
OMB No.: 2132–0546.
Administration: Urban Mass Transportation Administration.
Title: Section 6 of the Urban Mass Transportation Act of 1964, as amended.
Need for Information: This information is needed as part of the application for grants and corporative agreements and as a project management tool.

Proposed Use of Information: The purpose of the data is to assist UMTA in providing technical assistance to improve mass transportation (facilities, equipment, etc.) and assist State or local governments, transit and planning agencies, etc. in such improvements.

Frequency: Quarterly, Semi-Annually, Annually.

Burden Estimate: 19,480 hours.

Respondents: State or local governments, Businesses or other for profit and Non-profit.

Form(s): None.

Average Burden Hours Per Response: 10 hours and 6 minutes.

DOT No.: 3345.

OMB No.: 2133–0504.

Administration: Maritime Administration.

Title: Regulations for Making Excess or Surplus Federal Property Available to the U.S. Merchant Marine Academy, the State Maritime Academies and Approved Non-profit Maritime Training Institutions.

Need for Information: Required to obtain or retain a benefit.

Proposed Use of Information: To assure applicant qualifies for requested property benefit under the statute.

Frequency: As required.

Burden Estimate: 120 hours.

Respondents: 30.

Form(s): None.

Average Burden Hours Per Respondent: 1 hour.

DOT No.: 3346.

OMB No.: 2115–0526.

Administration: U.S. Coast Guard.

Title: 46 CFR, Subchapters Pollution Prevention Certificate.

Need for Information: This information collection requirement provides a standard format and language for ships of various countries for inspection purpose. It provides the information needed by inspecting officials to determine whether a ship is in compliance with the requirements of the International Convention for the Prevention of Pollution from Ships.

Proposed Use of Information: Coast Guard uses the information to prepare for the inspection requested by the ship's owner/operator and to issue the International Oil Pollution Prevention (IOPP) Certificate.

Frequency: 4 or 5 years.

Total Estimated Burden: 64.

Respondents: Ship owner/operators engaged in international voyages.

Form(s): CG–5352, CG–5352A and CG–5352B.

Average Burden Per Response: 20 minutes.

DOT No.: 3347

OMB No.: New.

Administration: Urban Mass Transportation Administration.

Title: Section 10 Managerial Training.

Need for Information: Collection is necessary to assist the Federal government in providing important training programs for the transit industry.

Proposed Use of Information: Information will be used to determine the eligibility of grant applicants, assure that UMTA/Federal requirements are met, and to collect data on the number of transit employees trained and the cost of effectiveness of the training grant program.

Frequency: Annually, Semi-annually, Quarterly.

Burden Estimate: 832.

Respondents: State or local governments, Business or other for profit, and Non-profit institutions.

Form(s): None.

Average Burden Hours Per Respondent: 5 hours and 12 minutes.

DOT No.: 3348.

OMB No.: 2132–0547.

Administration: Urban Mass Transportation Administration.

Title: Section 11(a) University Research and Training Program.

Need for Information: Information is needed to determine the eligibility of grant applicants and to assure that all UMTA and Federal requirements are met.

Proposed Use of Information: The information will be used to for certain research purposes that address specific public transportation problems and policy issues.

Frequency: Annually, semi-annually, quarterly.

Burden Estimate: 8,406.

Respondents: Federal agencies or employees, Non-profit institutions.

Form(s): None.

Average Burden Hours Per Respondent: 51 hours and 15 minutes.

DOT No.: 3349.

OMB No.: 2115–0505.

Administration: U.S. Coast Guard.

Title: 46 CFR, Subchapters D, H, I, I–A, R, U and J; Plan Approval and Records for Tank Passenger, Cargo and Miscellaneous Vessels, Mobile Offshore Drilling Units, Nautical Schools, Oceanographic Vessels and Electrical Engineering.

Need for Information: This information collection requirement is necessary to determine if a vessel's construction, arrangement and equipment are in full compliance with applicable marine safety regulations. The plans are those normally developed by a shipyard designer or manufacturer, and are not developed solely for the Coast Guard.

Proposed Use of Information: Coast Guard uses this information to determine if the vessel's construction, arrangement and equipment meet the necessary regulations prior to being built. Vessel operating personnel also use the information for safe and proper operation of the vessel.

Frequency: On occasion.

Burden Estimate: 929.

Respondents: Ship builders, designers, owners and operators.

Form(s): None.

Average Burden Hours Per Respondent: 75 minutes.

DOT No.: 3350.

OMB No.: 2115–0120.

Administration: U.S. Coast Guard.

Title: Transfer Procedures, Waste Management Plans.

Need for Information: This information collection requirement is needed to ensure that the provisions concerning oil, hazardous materials and waste transfer procedures are complied with as required by the Port and Tanker Safety Act.

Proposed Use of Information: Coast Guard uses this information to insure that equipment, methods and procedures to prevent discharges of oil and hazardous materials from vessels, onshore facilities and offshore facilities are in place. The waste management plans are used to familiarize the vessel's crew of the procedures to be followed in handling garbage generated aboard the vessel.

Frequency: On occasion.

Burden Estimate: 124,074.

Respondents: Vessels and facilities owners/operators.

Form(s): None.

Average Burden Hours Per Respondent: 18 minutes.

DOT No.: 3351.

OMB No.: 2138–0013.

Administration: Research and Special Programs Administration.

Title: Report of Financial and Operating Statistics for Large Certificated Air Carriers.

Need for Information: International market data, carrier financial data, airport enplanements.

Proposed Use of Information: International negotiation, safety surveillance, airport improvements.

Frequency: Monthly, quarterly, semiannually, annually.

Total Estimated Burden: 24067 hours.

Respondents: Large certificated air carriers.

Form(s): RSPA Form 41.

Average Burden Per Response: 3 hours and 48 minutes per response with an average of 376 annual hours per carrier.

DOT No.: 3352.
OMB No.: 2105-0009.
Administration: DOT, Office of the Secretary.
Title: Advisory Committee Candidate Biographical Information Request.
Need for Information: It assures balance on Federal Advisory Committees, as required by PL 92-463, and it guards against insurmountable conflicts of interest.
Proposed Use of Information: To determine if prospective members fit statutory requirements for balance and represent particular interest groups; also to indicate possible conflicts of interest which may affect committee work.
Frequency: DOT 1120.1—once per candidate; DOT F-3700.3—yearly.
Burden Estimate: 145 hours annually.
Respondents: All individuals being considered for advisory cmte. membership (1120.1); all candidates and all current advisory committee members (F-3700.3).
Form(s): DOT 1120.1, DOT F-3700.3.
Average Burden Hours Per Respondent: ½ hour for respondents; 2 hours for recordkeepers.

DOT No.: 3353.
OMB No.: New.
Administration: DOT, Office of the Secretary.
Title: Telephone Survey Updating Cost and Service Data from Paratransit Systems Nationwide to Obtain 1990 Cost Estimates for NPRM.
Need for Information: Meet OMB Agreement to publish new paratransit cost estimates by June 1990 for public comment on NPRM costs.
Proposed Use of Information: Improved data will help in decisions on final rule transit requirements due under court order for 9/21/90 publication.
Frequency: One-time survey.
Burden Estimate: 170 hours.
Respondents: Recipients of Federal aid for mass transit services.
Form(s): Telephone survey.
Average reporting time: 6 minutes.

DOT No: 3354.
OMB No: 2115-0003.
Administration: U.S. Coast Guard.
Title: Chemical Drug and Alcohol Testing of Commercial Vessel Personnel and Commercial Vessel and Personnel Accidents.
Need for Information: The requirements in this submission are needed to: (1) improve Coast Guard's capability to detect and reduce drug use by commercial mariners; and, (2) inform the Coast Guard of accidents involving death, serious injury, material loss of vessels or seaworthiness of vessels.
Proposed Use of Information: Coast Guard will use this information to identify users of dangerous drugs in the U.S. merchant marine industry. It will also be used to determine an individual's qualification for receiving a license, certification of register or merchant marine documents. The marine casualty information will be used to determine the extent of investigation and corrective action. Coast Guard and other Federal, state or local agencies will use the information for civil or criminal enforcement actions.
Frequency: On occasion.
Total Estimated Burden: 16,960.
Respondents: Commercial marine industry.
Form(s): None.
Average Burden Per Response: 53 minutes for reporting and 26 minutes per recordkeeper.

DOT No: 3355.
OMB No: 2133-0015.
Administration: Maritime Administration.
Title: Trustee's Annual Supplemental Certification.
Need for Information: Required to obtain or retain a benefit.
Proposed Use of Information: To determine whether the bank or trust company continues to qualify financially and otherwise to act as trustee under certain ship financing guarantees.
Frequency: On occasion, annually, when requested for ship financing closings, etc.
Burden Estimate: 53 hours.
Respondents: 71.
Form(s): MA-580.
Average Burden Hours Per Respondent: 45 minutes.

DOT No: 3356.
OMB No: 2133-0011.
Administration: Maritime Administration.
Title: We Risk Insurance—Applications and Related Information.
Need for Information: Required to obtain or retain a benefit.
Proposed Use of Information: To determine eligibility of the applicant and the vessel for participation in the program.
Frequency: On occasion.
Burden Estimate: 930 hours.
Respondents: 60.
Form(s): MA-355, MA-528, MA-828, MA-942.
Average Burden Hours Per Respondent: 32 minutes.

Issued in Washington, DC on May 2, 1990.
Robert J. Woods,
Director of Information Resource Management.
[FR Doc. 90-10719 Filed 5-8-90; 8:45 am]
BILLING CODE 4910-62-M

Coast Guard

Area To Be Avoided Off the Coast of Florida

AGENCY: Coast Guard, DOT.

ACTION: Notice.

SUMMARY: This notice advises the public of the April 22, 1990, proposal the Coast Guard submitted to the International Maritime Organization (IMO) to establish an Area to be Avoided off the Florida coast. The Coast Guard is seeking IMO adoption of an Area to be Avoided in an effort to prevent larger vessels from running aground and damaging the coral reefs.

DATES: The Coast Guard will implement the Area to be Avoided six months after IMO adoption.

FOR FURTHER INFORMATION CONTACT: Margie G. Hegy, Project Manager, Short Range Aids to Navigation Division, Office of Navigation Safety and Waterway Services (G-NSR-3), Phone (202) 267-0415.

SUPPLEMENTARY INFORMATION: On February 16, 1990, the Coast Guard published its preliminary proposal for an Area to be Avoided off the Florida coast (55 FR 5709). Commenters were given until March 15, 1990, to submit written comments. Public meetings were held in Miami, FL on March 6, 1990, and Key West, FL on March 8, 1990.

After reviewing written comments and comments from speakers at the public meetings, the Coast Guard made several changes to its preliminary proposal. The following changes were made:

Vessel length (greater than 50 meters in length) instead of gross tonnage (500 gross tons or more) was used to describe the vessels which should avoid the area.

The proposal submitted to IMO described one Area to be Avoided consisting of four parts, instead of the three separate areas as described in the preliminary proposal.

The Area to be Avoided was extended further northward to protect the reef known as "Emerald Reef" or "Talley Cut Reef" which lies south of Miami.

The Area to be Avoided was adjusted to exclude Hawk Channel. Several commenters (Coastal Tug and Barge, Congressman Dante Fascell, Key West

Bar Pilots, Key West City Electric System, Florida Keys Project of the Nature Conservatory, Reef Relief, and the Manager of the Looe Key National Marine Sanctuary) had opposed the inclusion of Hawk Channel which would greatly impact the City of Key West.

The Area to be Avoided was adjusted in the vicinity of Key West to exclude traditional anchorage areas and Southwest Channel. The Channel will remain open to unrestricted navigation.

The Area to be Avoided around the Dry Tortugas was expanded two nautical miles seaward to provide an additional buffer for the reefs. The area between the Dry Tortugas and Rebecca Shoal, although reduced in size, remained open.

Under the 1974 International Convention on Safety of Life at Sea (SOLAS), the restrictions of areas to be avoided do not apply to ships of war and troopships.

The proposal will be considered at IMO's Subcommittee on Safety of Navigation meeting in London in September 1990. If approved, the proposal will be forwarded to IMO's Maritime Safety Committee for adoption at their May 1991 meeting. If adopted, the Area to be Avoided will be implemented six months later. The public will be notified of its implementation by notice to mariners and press releases.

Revised Description of the Area To Be Avoided

In order to avoid risk of pollution and damage to the environment of this sensitive area, all vessels carrying cargoes of oil and hazardous materials and all vessels greater than 50 meters in length should avoid the area bounded by a line connecting the following points:

In the Vicinity of the Florida Keys

(Reference Charts: United States 11466, 26th Edition—February 4, 1989 and United States 11450, 3rd Edition—June 27, 1987)

Latitude	*Longitude*
(1) 25°45.00′ N	080°06.10′ W
(2) 25°38.70′ N	080°02.70′ W
(3) 25°22.00′ N	080°03.00′ W
(4) 25°00.20′ N	080°13.40′ W
(5) 24°37.90′ N	080°47.30′ W
(6) 24°29.20′ N	081°17.30′ W
(7) 24°22.30′ N	081°43.17′ W
(8) 24°28.00′ N	081°43.17′ W
(9) 24°28.70′ N	081°43.50′ W
(10) 24°29.80′ N	081°43.17′ W
(11) 24°33.10′ N	081°35.15′ W
(12) 24°33.60′ N	081°26.00′ W
(13) 24°38.20′ N	081°07.00′ W
(14) 24°43.20′ N	080°53.20′ W
(15) 24°46.10′ N	080°46.15′ W
(16) 24°51.10′ N	080°37.10′ W
(17) 24°57.50′ N	080°27.50′ W
(18) 25°09.90′ N	080°16.20′ W
(19) 25°24.00′ N	080°09.10′ W
(20) 25°31.50′ N	080°07.00′ W
(21) 25°39.70′ N	080°06.85′ W
(22) 25°45.00′ N	080°06.10′ W

In the Vicinity of Key West Harbor

(Reference Chart: United States 11434, 20th Edition—July 16, 1988)

Latitude	*Longitude*
(23) 24°27.95′ N	081°48.65′ W
(24) 24°23.00′ N	081°53.50′ W
(25) 24°26.60′ N	081°58.50′ W
(26) 24°27.75′ N	081°55.70′ W
(27) 24°29.35′ N	081°53.40′ W
(28) 24°29.35′ N	081°50.00′ W
(29) 24°27.95′ N	081°48.65′ W

Area Surrounding the Marquesas Keys

(Reference Chart: United States 11434, 20th Edition—July 16, 1988)

Latitude	*Longitude*
(30) 24°26.60′ N	081°59.55′ W
(31) 24°23.00′ N	082°03.50′ W
(32) 24°23.00′ N	082°27.80′ W
(33) 24°34.50′ N	082°37.50′ W
(34) 24°43.00′ N	082°26.50′ W
(35) 24°38.31′ N	081°54.06′ W
(36) 24°37.91′ N	081°53.84′ W
(37) 24°36.15′ N	081°51.78′ W
(38) 24°34.40′ N	081°50.60′ W
(39) 24°33.44′ N	081°49.73′ W
(40) 24°31.20′ N	081°52.10′ W
(41) 24°28.70′ N	081°56.80′ W
(42) 24°26.60′ N	081°59.55′ W

Area Surrounding the Dry Tortugas Islands

(Reference Chart: United States 11434, 20th Edition—July 16, 1988)

Latitude	*Longitude*
(43) 24°32.00′ N	082°53.50′ W
(44) 24°32.00′ N	083°00.05′ W
(45) 24°39.70′ N	083°00.05′ W
(46) 24°45.60′ N	082°54.40′ W
(47) 24°45.60′ N	082°47.20′ W
(48) 24°42.80′ N	082°43.90′ W
(49) 24°39.50′ N	082°43.90′ W
(50) 24°35.60′ N	082°46.40′ W
(51) 24°32.00′ N	082°53.50′ W

Figure 1, while not to scale, shows the Area to be Avoided as submitted for IMO approval.

Dated: May 3, 1990.

R. T. Nelson,

Rear Admiral, U.S. Coast Guard, Chief, Office of Navigation Safety and Waterway Services.

BILLING CODE 4910-14-M

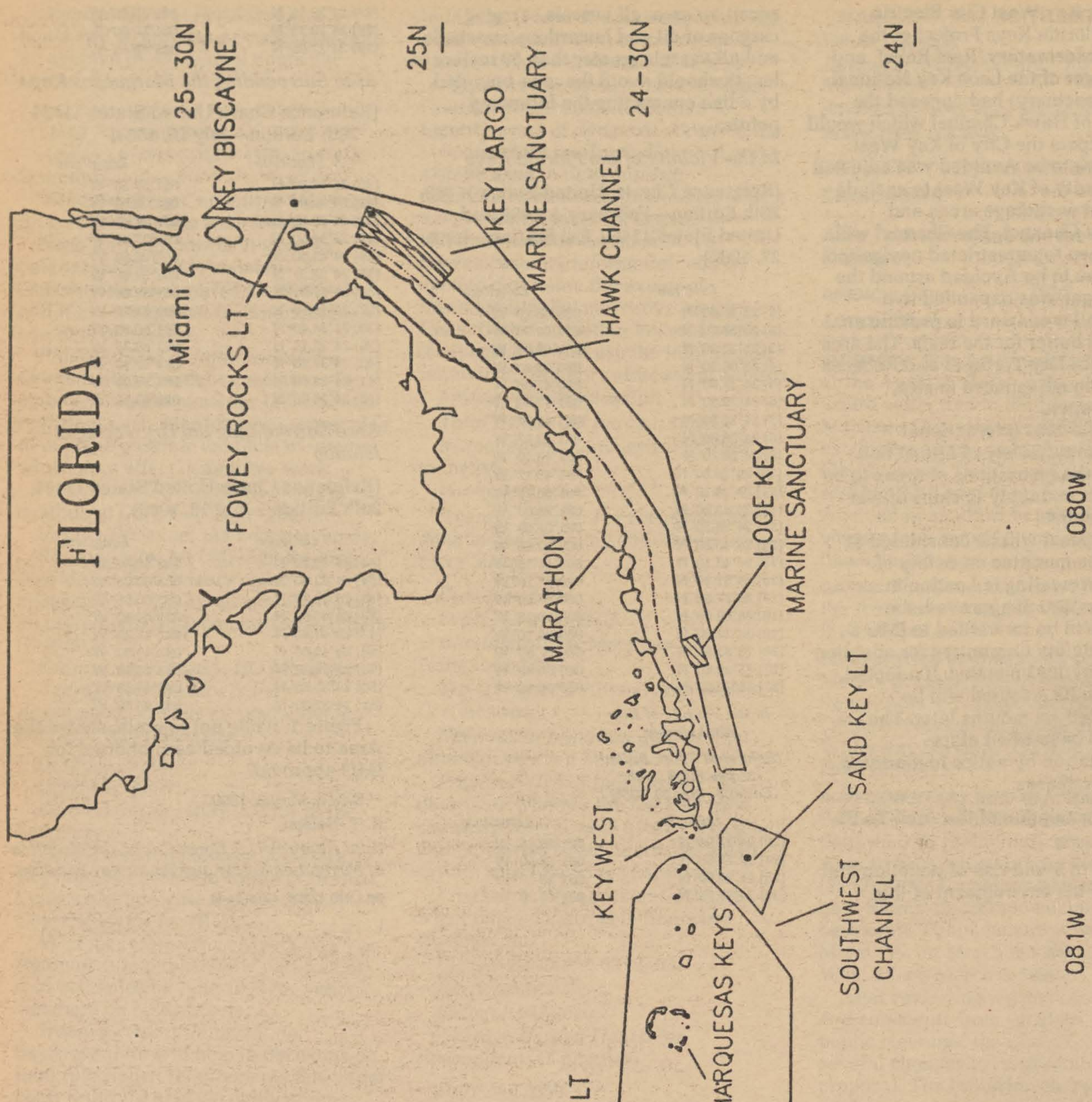

Figure 1

[FR Doc. 90-10720 Filed 5-8-90; 8:45 am]

BILLING CODE 4910-14-C

DEPARTMENT OF THE TREASURY

Public Information Collection Requirements Submitted to OMB for Review

May 2, 1990.

The Department of the Treasury has submitted the following public information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1980, Pub. L. 96-511. Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments regarding this information collection should be addressed to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 2224, 1500 Pennsylvania Avenue NW., Washington, D.C. 20220.

Internal Revenue Service

OMB Number: 1545-0242.
Form Number: 6197.
Type of Review: Extension.
Title: Gas Guzzler Tax.
Description: Form 6197 is used to compute tax on gas-guzzler automobiles under section 26 U.S.C. 4064. Tax is reported quarterly on Form 720. One Form 6197 is filed when production and sales of a model year is ended. Autos not meeting certain standards are taxable. IRS uses the information to verify computation of tax and compliance with the law.
Respondents: Individuals or households, Businesses or other for-profit, Small businesses or organizations.
Estimated Number of Respondents: 245.
Estimated Burden Hours Per Response/Recordkeeping:
Recordkeeping—3 hours, 20 minutes
Learning about the law or the form—1 hour, 2 minutes
Preparing the form—2 hours, 59 minutes
Copying, assembling, and sending the form to IRS—32 minutes.
Frequency of Response: Annually.
Estimated Total Recordkeeping/Reporting Burden: 1,938 hours.
Clearance Officer: Garrick Shear, (202) 535-4297, Internal Revenue Service, Room 5571, 1111 Constitution Avenue NW., Washington, DC 20224
OMB Reviewer: Milo Sunderhauf, (202) 395-6880, Office of Management and Budget, Room 3001, New Executive Office Building, Washington, DC 20503.

Lois K. Holland,
Departmental Reports, Management Officer.
[FR Doc. 90-10714 Filed 5-8-90; 8:45 am]
BILLING CODE 4830-01-M

Public Information Collection Requirements Submitted to OMB for Review

Date: May 2, 1990.

The Department of the Treasury has submitted the following public information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1980, Pub. L. 96-511. Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments regarding this information collection should be addressed to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 2224, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

FINANCIAL MANAGEMENT SERVICE

OMB Number: 1510-0056
Form Number: SF 3881
Type of Review: Extension
Title: Payment Information Form, Automated Clearing House (ACH) Vendor Payment System.
Description: This information is being requested as a technological requirement. Treasury will use the information to electronically transmit payments to vendor's financial institutions. The affected public consists of large for profit businesses. Gathering this information will result in vendors receiving payments in a more timely and efficient manner.
Respondents: Businesses or other for-profit.
Estimated Number of Respondents: 100,000.
Estimated Burden Hours Per Response: 15 minutes.
Frequency of Response: On occasion.
Estimated Total Reporting Burden: 1 hour.
Clearance Officer: Jacqueline R. Perry, (301) 436-6453 Financial Management Service, Room B-101, 3700 East West Highway, Hyattsville, MD 20782
OMB Reviewer: Milo Sunderhauf, (202) 395-6880, Office of Management and Budget, Room 3001, New Executive Office Building, Washington, DC 20503.

Lois K. Holland,
Departmental Reports Management Officer.
[FR Doc. 90-10713 Filed 5-8-90; 8:45 am]
BILLING CODE 4810-35-M

Sunshine Act Meetings

Federal Register

Vol. 55, No. 90

Wednesday, May 9, 1990

This section of the FEDERAL REGISTER contains notices of meetings published under the "Government in the Sunshine Act" (Pub. L. 94-409) 5 U.S.C. 552b(e)(3).

COMMISSION ON CIVIL RIGHTS

May 4, 1990.

DATE AND TIME: Friday, May 11, 1990, 8:30 a.m. to 10:00 a.m.

PLACE: Washington Vista Hotel, Ballroom C, 1400 M Street, N.W., Washington, D.C.

STATUS: Open to the Public

MATTERS TO BE CONSIDERED:

I. Approval of Agenda
II. Approval of Minutes of April Meeting
III. Announcements
IV. SAC Appointments
Kentucky, Rhode Island, and West Virginia SAC Appointments
V. Commission Subcommittee Reports
VI. Staff Director's Report
VII. Future Agenda Items

CONTACT PERSON FOR FURTHER INFORMATION: Barbara Brooks, Press and Communications Division, (202) 376-8312.

William J. Howard,
General Counsel.

[FR Doc. 90-10897 Filed 5-4-90; 5:02 pm]

BILLING CODE 6335-01-M

COMMISSION ON CIVIL RIGHTS

May 4, 1990.

DATE AND TIME: Friday, May 11, 1990, 10:15 a.m.—7:30 p.m.

PLACE: Washington Vista Hotel, Ballroom C, 1400 M Street, N.W., Washington, D.C.

STATUS: Open to the Public.

MATTERS TO BE CONSIDERED:

I. Approval of Agenda
II. Chairman's Presentation
III. Current/Proposed Projects
OGC
OPPR/CRE
OSD
IV. Commissioners' Discussion/Decisions
V. Closing—Agenda for the 90's

CONTACT PERSON FOR FURTHER INFORMATION: Barbara Brooks, Press and Communications Division, (202) 376-8312.

William J. Howard,
General Counsel.

[FR Doc. 90-10898 Filed 5-4-90; 5:02 pm]

BILLING CODE 6335-01-M

NUCLEAR REGULATORY COMMISSION

DATE: Thursday, May 10, 1990.

PLACE: Commissioners' Conference Room, 11555 Rockville Pike, Rockville, Maryland.

STATUS: Open and Closed.

MATTERS TO BE CONSIDERED:

Thursday, May 10

11:30 a.m.
Affirmation/Discussion and Vote (Public Meeting)
a. License Fees—Final Rule

Note: Affirmation sessions are initially scheduled and announced to the public on a time-reserved basis. Supplementary notice is provided in accordance with the Sunshine Act as specific items are identified and added to the meeting agenda. If there is no specific subject listed for affirmation, this means that no item has as yet been identified as requiring any Commission vote on this date.

To Verify the Status of Meetings Call (Recording)—(301) 492-0292

CONTACT PERSON FOR MORE INFORMATION: William Hill (301) 492-1661.

Dated: May 4, 1990.

William M. Hill, Jr.,
Office of the Secretary.

[FR Doc. 90-10941 Filed 5-7-90; 1:37 pm]

BILLING CODE 7590-01-M

RESOLUTION TRUST CORPORATION

Notice of Agency Meeting

Pursuant to the provisions of the "Government in the Sunshine Act" (5 U.S.C. 552b), notice is hereby given that the Board of Directors of the Resolution Trust Corporation will meet in open session at 2:00 p.m. on Tuesday, May 8, 1990 to consider the following matters:

Summary Agenda

No Cases.

Discussion Agenda

RTC Policy for Determining Market Value for Real Estate Assets.

RTC Policy Statement for Establishing Prices in Auction Sales.

The meeting will be held in the Board Room of the FDIC Building located at 550—17th Street, N.W., Washington, D.C.

Requests for further information concerning the meeting may be directed to Mr. John M. Buckely, Jr., Executive Secretary of the Resolution Trust Corporation, at (202) 898-3604.

Dated: May 3, 1990.

Resolution Trust Corporation.

John M. Buckley, Jr.,
Executive Secretary.

[FR Doc. 90-10896 Filed 5-9-90; 5:01 pm]

BILLING CODE 6714-01-M

Corrections

Federal Register
Vol. 55, No. 90
Wednesday, May 9, 1990

This section of the FEDERAL REGISTER contains editorial corrections of previously published Presidential, Rule, Proposed Rule, and Notice documents. These corrections are prepared by the Office of the Federal Register. Agency prepared corrections are issued as signed documents and appear in the appropriate document categories elsewhere in the issue.

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

Child Nutrition Programs; Income Eligibility Guidelines

Correction

In notice document 90-10308 beginning on page 18646 in the issue of Thursday, May 3, 1990, make the following corrections:

1. On page 18647, in the table, in the ninth column, the ninth entry should read "+330".

2. On the same page, in the first column, on the signature line, "Nelson" should read "Nelsen".

BILLING CODE 1505-01-D

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Social Security Administration

20 CFR Part 416

RIN 0960-AB37

Social Security Benefits and Supplemental Security Income; Vocational Rehabilitation Services Payment

Correction

In rule document 90-5343 beginning on page 8449 in the issue of Thursday, March 8, 1990, make the following correction:

§ 416.2203 [Corrected]

On page 8456, in the third column, under § 416.2203, in the fourth line, "1691(a)" should read "1619(a)".

BILLING CODE 1505-01-D

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[IA-012-90]

RIN 1545-A049

General Rule for Taxable Year of Inclusion; Election To Include Crop Insurance Proceeds in Gross Income in the Taxable Year Following the Taxable Year of Destruction or Damage

Correction

In proposed rule document 90-4602 beginning on page 7343, in the issue of Thursday, March 1, 1990, make the following correction:

On page 7344, in the first column, under **Drafting Information**, in the fifth line, "Revenue" was misspelled.

BILLING CODE 1505-01-D

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[T.D. 8289]

RIN 1545-A048

General Rule for Taxable Year of Inclusion; Election To Include Crop Insurance Proceeds in Gross Income in the Taxable Year Following the Taxable Year of Destruction or Damage

Correction

In rule document 90-4601 beginning on page 7316, in the issue of Thursday, March 1, 1990, make the following corrections:

1. On page 7317, in the first column, in the 10th line, after "section" insert "6033".

§ 1.451-6T [Corrected]

2. On the same page, in the second column, under § 1.451-6T(a)(1), in the 22nd line, "or" should read "of".

BILLING CODE 1505-01-D

federal register

Wednesday
May 9, 1990

Part II

Department of Health and Human Services

Health Care Financing Administration

42 CFR Part 412

Medicare Program; Changes to the Inpatient Hospital Prospective Payment System and Fiscal Year 1991 Rates; Proposed Rule

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

42 CFR Part 412

[BPD-673-P]

RIN 0938-AE56

Medicare Program, Changes to the Inpatient Hospital Prospective Payment System and Fiscal Year 1991 Rates

AGENCY: Health Care Financing Administration (HCFA), HHS.

ACTION: Proposed rule.

SUMMARY: We are proposing to revise the Medicare inpatient hospital prospective payment system to implement necessary changes arising from legislation and our continuing experience with the system. In addition, in the addendum to this proposed rule, we are proposing changes in the amounts and factors necessary to determine prospective payment rates for Medicare inpatient hospital services. These changes would be applicable to discharges occurring on or after October 1, 1990. We are also setting forth proposed rate-of-increase limits for hospitals and hospital units excluded from the prospective payment system.

DATES: Comments will be considered if we receive them at the appropriate address, as provided below, no later than 5 p.m. on July 9, 1990.

ADDRESSES: Mail comments to the following address:

Health Care Financing Administration, Department of Health and Human Services, Attention: BPD-673-P, P.O. Box 26676, Baltimore, Maryland 21207

If you prefer, you may deliver your comments to one of the following addresses:

Room 309-G, Hubert H. Humphrey Building, 200 Independence Ave., SW., Washington, DC

Room 132, East High Rise Building, 6325 Security Boulevard, Baltimore, Maryland

Due to staffing and resource limitations, we cannot accept facsimile (FAX) copies of comments.

In commenting, please refer to file code BPD-673-P. Comments received timely will be available for public inspection as they are received, generally beginning approximately three weeks after publication of a document, in room 309-G of the Department's offices at 200 Independence Ave., SW., Washington, DC, on Monday through Friday of each week from 8:30 a.m. to 5 p.m. (phone: 202-245-7890).

For individual copies of this proposed rule, contact the following:

Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, (202) 783-3238

The charge for individual copies is $1.50 for each issue or for each group of pages as actually bound, payable by check or money order to the Superintendent of Documents.

FOR FURTHER INFORMATION CONTACT: Barbara Wynn, (301) 966-4529.

To obtain copies of this document, see the "**ADDRESS**" section, above. To obtain data used in deriving the standardized amounts and DRG relative weights, see section VII.B of the preamble, Public Requests for Data.

SUPPLEMENTARY INFORMATION:

I. Background

A. Summary

Under section 1886(d) of the Social Security Act (the Act), a system of payment for acute inpatient hospital stays under Medicare Part A (Hospital Insurance) based on prospectively-set rates was established effective with hospital cost reporting periods beginning on or after October 1, 1983. Under this system, Medicare payment is made at a predetermined, specific rate for each hospital discharge. All discharges are classified according to a list of diagnosis-related groups (DRGs). The regulations governing the inpatient hospital prospective payment system are located in 42 CFR part 412.

On September 1, 1989, we published a final rule (54 FR 36452) to implement the seventh year of the prospective payment system. However, on December 19, 1989, the Omnibus Budget Reconciliation Act of 1989 (Pub. L. 101-239) was enacted. The portions of sections 6001, 6002, 6003, 6004, 6021, 6110, and 6205 of Public Law 101-239 that affect Medicare payments to hospitals in Federal fiscal year (FY) 1990 and that were self implementing, were announced in a **Federal Register** notice published on December 29, 1989 (54 FR 53754). These statutory changes provided for the following:

- For discharges occurring on or after January 1, 1990 and before October 1, 1990, the applicable percentage increase used to update the standardized amounts for prospective payment system hospitals is—

—9.72 percent for hospitals located in rural areas;
—5.62 percent for hospitals located in large urban areas; and
—4.97 percent for hospitals located in other urban areas

(The increase in the target amount for excluded hospitals and units was not changed and, therefore, continues to be 5.5 percent.)

- Effective for portions of cost reporting periods or discharges occurring during the period beginning January 1, 1990 and ending September 30, 1990, payments for capital-related costs of inpatient services of hospitals under the prospective payment system are reduced by 15 percent.
- For cost reporting periods beginning on or after October 1, 1989, the hospital-specific rate of sole community hospitals is updated by the percentage increase applicable to the geographic area in which the hospital is located. This increase is applicable to discharges occurring on or after January 1, 1990.
- Hospitals that were classified as rural referral centers as of September 30, 1989 continue to be classified as rural referral centers for cost reporting periods beginning on or after October 1, 1989 and before October 1, 1992.
- Hospitals classified as cancer hospitals are excluded from the prospective payment system effective with cost reporting periods beginning on or after October 1, 1989. The reduction for payment of capital costs is eliminated for hospitals classified as cancer hospitals as of December 19, 1989 effective for portions of cost reporting periods or discharges occurring on or after October 1, 1986. For hospitals classified after December 19, 1989, the reduction for payment of capital costs is eliminated for cost reporting periods beginning on or after the date of classification. Special provisions were also made for hospitals that qualify for cancer status before December 31, 1990 (or before December 31, 1991 for hospitals located in States operating a demonstration project under section 1814(b) of the Act as of December 19, 1989). Effective January 18, 1990, a cancer hospital is eligible to receive periodic interim payments if it meets the criteria for receiving these payments. For cost reporting periods beginning on or after April 1, 1989, the base year for determining target amounts for cancer hospitals is to be the hospital's cost reporting period beginning during FY 1987 unless the use of FY 1982 and intervening updates creates a higher target amount.
- Effective for discharges occurring on or after January 18, 1990, a hospital created by the merger or consolidation of two or more hospitals or hospital campuses eligible to receive interim periodic payments is also eligible to receive periodic interim payments.

On April 20, 1990, we published a final rule with comment (55 FR 15150) to implement those portions of sections 6003, 6011, 6015, and 6205 of Public law 101–239 that affect Medicare payments to hospitals and that were, in general, effective April 1, 1990. These changes provided for the following:

- For discharges occurring on or after April 1, 1990, hospitals located in rural areas with more than 100 beds, or those that are classified as sole community hospitals, can qualify for a disproportionate share adjustment if the hospital has a disproportionate patient percentage of at least 30 percent. In addition, the disproportionate share payment adjustments for qualifying hospitals were increased.
- For cost reporting periods beginning on or after April 1, 1990, the payment methodology for sole community hospitals was revised.
- For cost reporting periods beginning on or after April 1, 1990 and ending on or before March 31, 1993, a special payment method under the prospective payment system for Medicare-dependent small rural hospitals was established.
- For discharges occurring on or after April 1, 1990, the wage index applicable to rural counties whose hospitals are deemed urban was revised.
- For discharges occurring on or after June 19, 1990 and before December 19, 1991, prospective payment hospitals receive an additional payment for the cost of administering blood clotting factors to hemophiliacs who are hospital inpatients.
- For cost reporting periods beginning on or after April 1, 1990, excluded hospitals and units may be assigned a new base period for purposes of the rate-of-increase limits if it would be more representative of the reasonable and necessary costs of inpatient services.
- For cost reporting periods beginning on or after December 19, 1989 and before the later of October 1, 1990 or the date the Secretary issues new regulations concerning payment for nursing and allied health education, the costs incurred by hospitals that meet certain criteria for training nursing students enrolled in a hospital-based nursing school are to be paid on the basis of reasonable cost.

In addition, in the April 20, 1990 final rule with comment, we responded to comments received on the September 30, 1988 prospective payment system final rule with comment (53 FR 38476) with respect to the implementation of two provisions of the Medicare Catastrophic Coverage Act of 1988 (Pub. L. 100–360) concerning adjustments to the rates, weights, and outlier thresholds applicable to prospective payment hospitals and the target amounts applicable to hospitals and units excluded from the prospective payment system due to the elimination of the day limitation on covered inpatient hospital days. We also discussed changes in law made by the Family Support Act of 1988 (Pub. L. 100–485), which clarified the criteria for adjusting target amounts and changed the date for implementing that provision, as well as the termination of these catastrophic provisions effective January 1, 1990 because of the enactment of the Medicare Catastrophic Coverage Repeal Act of 1989 (Pub. L. 101–234).

The comment period for the April 20, 1990 final rule with comment period ends on June 19, 1990. We intend to respond to comments received concerning that rule in the final rule concerning changes to the inpatient hospital prospective payment system and FY 1991 rates which are being proposed in this document.

B. Major Contents of this Proposed Rule

This proposed rule would be effective for the eighth year of operation of the prospective payment system, beginning October 1, 1990. Following is a summary of the major changes that we are proposing to make to the system:

1. Changes to the DRG Classification and Weighting Factors

As required by section 1886(d)(4)(C) of the Act, we must adjust the DRG classifications and weighting factors at least annually. Our proposed changes for FY 1991 are set forth in section II of this preamble.

2. Changes in the Wage Index

We are proposing to update the wage index by basing it entirely on 1988 wage data. The proposed changes are discussed in section III of the preamble.

3. Rebasing and Revising of the Hospital Market Basket

We are proposing to recompute the hospital market basket using data from a more recent base year (that is, "rebasing" or "reweighting" the market basket) and to revise the market basket to reflect the use of certain newly available price proxies for monitoring the rate of inflation in the market basket. We are also proposing to establish a separate market basket for hospitals and units excluded from the prospective payment system. The proposed changes are discussed in section IV of this preamble. The market basket category weights would change because of rebasing, which reflects hospital changes in the purchase of goods and services used to furnish care.

4. Other Decisions and Regulations Changes

In section V of this preamble, we discuss several current provisions of the regulations in 42 CFR Part 412 and set forth certain proposed changes concerning—

- Elimination of the regional floor;
- Sole community hospital criteria;
- Cancer hospitals;
- Rural referral center criteria;
- Indirect medical education costs; and
- Offset for physician assistant services.

5. Determining Prospective Payment Rates and Rate-of-Increase Limits

In the addendum to this proposed rule, we set forth proposed changes to the amounts and factors for determining the FY 1991 prospective payment rates. We are also proposing new target rate percentages for determining the rate-of-increase limits for cost reporting periods beginning in FY 1991 for hospitals and hospital units excluded from the prospective payment system.

6. Impact Analysis

In Appendix A, we set forth an analysis of the impact that the proposed changes described in this rule would have on affected entities.

7. Market Basket

In Appendix B, we provide a technical discussion of the data sources used to estimate the market basket relative weights and the choice of price proxies.

8. Report to Congress on the Update Factor

Section 1886(e)(3)(B) of the Act requires the Secretary report to Congress no later than March 1, 1990 on our initial estimate of an update factor for FY 1991 for both prospective payment hospitals and hospitals excluded from the prospective payment system. This report is included in Appendix C of this proposed rule.

9. Proposed Recommendation of Update Factor

As required by sections 1886(e)(4) and (e)(5) of the Act, Appendix D provides our recommendation of the appropriate percentage change for FY 1991 in the—

- Large urban, other urban, and rural average standardized amounts for inpatient hospital services paid for under the prospective payment system; and
- Target rate-of-increase limits to the allowable operating costs of inpatient hospital services furnished by hospitals

and hospital units excluded from the prospective payment system.

10. Discussion of Prospective Payment Assessment Commission Recommendations

The Prospective Payment Assessment Commission (ProPAC) is directed by section 1886(d)(4)(D) of the Act to make recommendations to the Secretary with respect to adjustments to the DRG classifications and weighting factors and to report to Congress with respect to its evaluation of any adjustments made by the Secretary. ProPAC is also directed, by the provisions of sections 1886(e)(2) and (e)(3) of the Act, to make recommendations to the Secretary on the appropriate percentage change factor to be used in updating the average standardized amounts beginning with FY 1986 and thereafter. These recommendations for FY 1991 were submitted to the Secretary on March 1, 1990.

We are printing ProPAC's report, which includes its recommendations, as Appendix E of this document. The recommendations, and the actions we are proposing to take with regard to them (when an action is recommended), are discussed in detail in the appropriate sections of this praamble or the appendixes of this proposed rule. Those recommendations that are not specifically relevant to matters presented below are discussed in section VI of this preamble. For a brief summary of the ProPAC recommendations, we refer the reader to pages 5 through 7 of the ProPAC report as set forth in Appendix E of this proposed rule. ProPAC also produced technical appendixes in its March 1, 1990 report that provide background material and detailed analyses used in preparation of the ProPAC recommendations. For further information relating specifically to the ProPAC report or to obtain a copy of the technical appendixes, contact ProPAC at (202) 453-3986.

II. Proposed Changes to DRG Classifications and Weighting Factors

A. Background

Under the prospective payment system, we pay for inpatient hospital services on the basis of a rate per discharge that varies by the DRG to which a beneficiary's stay is assigned. The formula used to calculate payment for a specific case takes an individual hospital's payment rate per case and multiplies it by the weight of the DRG to which the case is assigned. Each DRG weight represents the average resources required to care for cases in that particular DRG relative to the average resources used to treat cases in other DRGs.

Congress recognized that it would be necessary to recalculate the DRG relative weights periodically to account for changes in resource consumption. Accordingly, section 1886(d)(4)(C) of the Act requires that the Secretary adjust the DRG classifications and weighting factors annually beginning with discharges occurring in FY 1988. These adjustments are made to reflect changes in treatment patterns, technology, and any other factors that may change the relative use of hospital resources. The proposed changes to the DRG classification system and the proposed recalibration of the DRG weights for discharges occurring on or after October 1, 1990 are discussed below.

B. DRG Reclassification

1. General

Cases are classified into DRGs for payment under the prospective payment system based on the principal diagnosis, up to four additional diagnoses, and up to three procedures performed during the stay, as well as age, sex, and discharge status of the patient. The diagnostic and procedure information is reported by the hospital using codes from the International Classification of Diseases, Ninth Edition, Clinical Modification (ICD-9-CM). The intermediary enters the information into its claims system and subjects it to a series of automated screens called the Medicare Code Editor (MCE). These screens are designed to identify cases that require further review before classification into a DRG can be accomplished.

After screening through the MCE and any further development of the claims, cases are classified by the GROUPER software program into the appropriate DRG. The GROUPER program was developed as a means of classifying each case into a DRG on the basis of the diagnosis and procedure codes and demographic information (that is, sex, age, and discharge status). It is used both to classify past cases in order to measure relative hospital resource consumption to establish the DRG weights and to classify current cases for purposes of determining payment.

Currently, there are 477 DRGs in 23 major diagnostic categories (MDCs). Most MDCs are based on a particular organ system of the body (for example, MDC 6, Diseases and Disorders of the Digestive System); however, some MDCs are not constructed on this basis since they involve multiple organ systems (for example, MDC 22, Burns).

In general, principal diagnosis determines MDC assignment. Within most MDCs, cases are then divided into surgical DRGs (based on a surgical hierarchy that orders individual procedures or groups of procedures by resource intensity) and medical DRGs. Medical DRGs generally are differentiated on the basis of diagnosis and age. Some surgical and medical DRGs are further differentiated based on the presence or absence of complications or comorbidities (hereafter CC) only. Generally, GROUPER does not consider other procedures; that is, nonsurgical procedures or minor surgical procedures generally not done in an operating room are not listed as operating room (OR) procedures in the GROUPER decision tables. However, there are a few non-OR procedures that do affect DRG assignment for certain principal diagnoses, such as extracorporeal shock wave lithotripsy for patients with a principal diagnosis of urinary stones.

The changes we are proposing to make to the DRG classification system are set forth below.

2. Creation of New DRGs

In order to improve payment equity, we are proposing to revise the DRG system of classification by adding 13 new DRGs. Two of these DRGs are associated with the restructuring of MDC 5 (Diseases and Disorders of the Circulatory System) and are discussed below in section II.B.4 of this preamble. The other 11 DRGs would affect the assignment of the following types of cases: bone marrow transplants, liver transplants, tracheostomies, multiple significant trauma, and human immunodeficiency virus (HIV) infections. These are significant changes that we believe would increase the amount of variation in resource costs explained by DRGs by approximately 13 percent.

Many of the changes we are proposing are based on the method of case classification used in New York State, which established a prospective payment system for all payors (except Medicare and Champus) effective January 1, 1988. The New York system is based on the Medicare prospective payment system; however, New York, in conjunction with Health Systems International (HSI), modified the Medicare DRGs to address the needs of the New York non-Medicare population. We have modeled our proposed DRG changes for tracheostomy, multiple significant trauma, and HIV cases on the New York model with modifications for the Medicare population. These DRG

additions and the other DRGs we are proposing to add (other than the MDC 5 change) are set forth below in this section.

Currently, Medicare discharges are generally assigned to MDCs based on principal diagnosis and then further assigned to the DRGs included in those MDCs. However, discharges would be assigned to the proposed DRGs for liver transplants, bone marrow transplants, and tracheostomies before being classified in the current MDCs. This is necessary for the transplant cases because both liver and bone marrow transplant cases are currently assigned to two MDCs based on principal diagnosis and it is necessary to group all the cases for each type of transplant into a single DRG. We would assign the cases to the proposed DRGs for tracheostomies before being classified in an MDC because we believe that the cases that would be classified in the proposed tracheostomy DRGs are more homogeneous in terms of resource use to each other than to the other cases in the MDC to which they are currently assigned based on principal diagnosis. We would create two new MDCs for multiple significant trauma cases and for HIV-related cases. These MDCs would be mutually exclusive; however, the principal diagnoses that result in assignment to the proposed MDCs could also result in assignment to one of the current MDCs (provided any secondary diagnoses were different). Because the cases that would be assigned to the proposed MDCs tend to be more resource intensive than the other cases with the same principal diagnosis, we would classify cases into the proposed MDCs before classifying the remaining cases into the current MDCs.

The detailed description of the proposed DRGs are set forth below in the order in which cases would be assigned to them.

a. *Liver transplants.* Medicare coverage of liver transplants for children under the age of 18 for certain specified conditions has been in effect since February 9, 1984. In a notice published in the **Federal Register** on March 8, 1990 (55 FR 8545), we proposed to expand coverage of liver transplants to adults with certain specified conditions. In that proposed notice, we stated that the effective date of coverage for these liver transplants would be retroactive to March 8, 1990 under certain circumstances. Medicare payment will continue to be made for children's liver transplants for biliary arteries (diagnosis code 751.61) and would be expanded to adult liver transplants performed in approved facilities for the following covered conditions:

Diagnosis code	Description
275.0	Primary hemochromatosis.
275.1	Wilson's disease.
277.6	Alpha-1 antitrypsin deficiency disease.
571.2	Alcoholic cirrhosis.
571.5	Postnecrotic cirrhosis (Hepatitis B, antigen negative).
571.6	Primary biliary cirrhosis.
576.1	Primary sclerosing cholangitis.

These cases are currently assigned to MDC 7 and MDC 10. Within MDC 7, liver transplants are assigned to DRGs 191 and 192 (Pancreas, Liver and Shunt Procedures).[1] Liver transplant cases in MDC 10 would group to DRG 468 if no other related surgical procedure is performed.

Since Medicare coverage of liver transplants has now been proposed for adults, we are proposing to add a new DRG 480 (Liver Transplant) exclusively for all liver transplants (whether adult or juvenile). Medicare discharges would be assigned to DRG 480 only if either procedure code 50.51 (Auxiliary liver transplant) or 50.59 (Other transplant of liver) is performed at an approved liver transplant center and any one of the following diagnosis codes is either a principal or secondary diagnosis: 275.0, 275.1, 277.6, 571.2, 571.5, 571.6, 576.1, or 751.61.

As is currently our policy for organ acquisition costs in kidney and heart transplant cases paid under Medicare, liver acquisition costs would be paid on a reasonable cost basis and would not be included in the prospective payment amount. We are proposing to revise §§ 412.2(d)(4) and 412.113(d), which currently describe payment for kidney acquisition costs as a pass-through, to include heart and liver acquisition costs, also.

The March 8, 1990 notice proposing to expand coverage of liver transplants proposed to establish a separate DRG for liver transplants with a relative weight of 21.000 (55 FR 8546). This relative weight was based on FY 1984 Medicare bill data and 1983 and 1984 sample claims data from three hospitals. Since this relative weight was calculated, we have recomputed the relative weight based on FY 1989 MEDPAR data for 24 cases from 10 hospitals using the methodology described below in section II.C of this preamble. The proposed FY 1991 relative weight is 13.8965.

We recognize that this is a significant decrease in the relative weight. Therefore, we reviewed the FY 1989 MEDPAR data and confirmed that the claims for the 24 cases were submitted by hospitals with the potential to become an approved facility for Medicare coverage of liver transplants. Since the relative weight of 13.8965 is based on more recent data from a larger number of facilities, we believe it is a more accurate reflection of the average resources required for liver transplantation relative to the average resource requirements of cases in other DRGs.

We note that DRG 480 would have the highest weight of any DRG. In addition, the facilities performing liver transplants tend to be larger teaching hospitals that receive indirect medical education and, in most cases, disproportionate share payment adjustments that will significantly increase the actual payments for covered liver transplants.

b. *Bone marrow transplants.* In the September 1, 1989 final rule, we responded to a comment that requested that we establish a unique DRG for autologous bone marrow transplant. We stated that since we had not included such a proposal in the May 8, 1989 proposed rule, and coverage for autologous bone marrow transplants had begun only on April 28, 1989, we would defer making such a change but that we would analyze the data that became available in the following year. We have now analyzed the data available in the FY 1989 Medicare provider analysis and review (MEDPAR) file on bone marrow transplants. The data show that these cases are much more resource intensive than the other cases in the DRGs to which they are currently being assigned and that our data base now includes a sufficient number of these cases to support the addition of a DRG.

Therefore, we are proposing to add DRG 481 (Bone Marrow Transplant). Both allogeneic and autologous bone marrow transplants would be assigned to this DRG. Currently, bone marrow transplants are assigned to four DRGs depending on the patient's principal diagnosis: DRG 394 (Other OR Procedures of the Blood and Blood Forming Organs), DRG 400 (Lymphoma and Leukemia with Major OR Procedure), and DRGs 406 and 407 (Myeloproliferative Disorder or Poorly Differentiated Neoplasms with Major OR Procedure).

[1] A single title combined with two DRG numbers is used to signify pairs, the first DRG of which is cases with CC and the second of which is cases without CC. If a third number is included, it represents cases of patients who are age 0–17.

Only those cases with a condition covered by Medicare for bone marrow transplantation would be assigned to DRG 481. We intend to add a screen for these cases to the MCE. Each bone marrow transplant discharge would be identified by the screen and further reviewed by the intermediary before payment is made to ensure that all the coverage conditions are met.

Allogeneic bone marrow transplantation is a procedure in which a portion of a healthy donor's bone marrow is obtained and prepared for intravenous infusion to restore normal marrow function in recipients having an inherited or acquired marrow deficiency or defect. The use of allogeneic bone marrow transplantation can be covered under Medicare for the following conditions:

- Leukemia.
- Aplastic anemia.
- Severe combined immunodeficiency disease (SCID).
- Wiskott Aldrich syndrome.

Autologous bone marrow transplantation is a technique for restoring bone marrow stem cells using the patient's own previously stored marrow. Autologous bone marrow transplantation can be covered under Medicare for patients with the following conditions:

- Acute leukemia in remission for patients who have a high probability of relapse and who have no HLA-match donor.
- Resistant non-Hodgkin's lymphomas or those presenting with poor prognostic features following an initial response.
- Recurrent or refractory neuroblastoma.
- Advanced Hodgkin's disease for patient's who have failed to respond to conventional therapy and have no HLA matched donor.

Discharges would be assigned to DRG 481 as follows:

- Procedure code 41.01 (Autologous bone marrow transplant) is performed and any one of the following is either a principal or secondary diagnosis:

—Acute leukemia, in remission (V10.60, V10.61, V10.62, V10.63, and V10.69).
—Advanced Hodgkin's disease (201.00–201.08, 201.10–201.18, 201.20–201.28, 201.40–201.48, 201.50–201.58, 201.60–201.68, 201.70–201.78, 201.90–201.98).
—Resistant non-Hodgkin's lymphomas (202.80–202.88).
—Recurrent or refractory neuroblastoma (140.0–199.1).

- Either procedure code 41.02 (Allogeneic bone marrow transplant with purging) or 41.03 (Allogeneic bone marrow transplant without purging) is performed and any one of the following is either a principal or secondary diagnosis:

—Lymphoid leukemia (204.0–204.9).
—Myeloid leukemia (205.0–205.9).
—Monocytic leukemia (206.0–206.9).
—Other specified leukemia (207.0–207.8).
—Leukemia of unspecified cell type (208.0–208.9).
—Wiskott-Aldrich syndrome (279.12).
—Combined immunity deficiency (279.2).
—Leukemia, in remission (V10.60–V10.69).

- If procedure 41.00 (Bone marrow transplant, not otherwise specified) is coded with one of any of the diagnoses set forth in the two preceding paragraphs, the case would be developed further and would be assigned to DRG 481 only after verification that a covered transplant was performed.

Unlike the other transplant DRGs (that is, kidney, heart, and liver), for which the cost of the organ acquisition is paid on a reasonable cost basis, the payment for the acquisition costs for bone marrow transplants is included in the DRG payment. As we stated in the September 1, 1989 final rule (54 FR 36467), the original Medicare manual issuances (Medicare Hospital Manual Transmittal No. 566, issued in June 1989 and Medicare Intermediary Manual Transmittal No. 1426, issued in May 1989) incorrectly stated that bone marrow acquisition costs are paid as a pass-through on a reasonable cost basis. In November 1989, we issued a revised manual instruction to correctly state our policy that bone marrow acquisition costs are included in the DRG payment (Medicare Hospital Manual Transmittal No. 575). Therefore, in calculating the DRG weight for bone marrow transplant under the methodology set forth below in section II.C of this preamble, bone marrow acquisition charges were not subtracted from the total charges prior to computing the average charge for the DRG and, subsequently, its relative weight.

c. *Tracheostomy.* Beginning with discharges occurring on or after October 1, 1987, cases with a principal diagnosis in MDC 4 (Diseases and Disorders of the Respiratory System) and one of the tracheostomy procedure codes 31.1 (Temporary tracheostomy), 31.21 (Mediastinal tracheostomy), or 31.29 (Other permanent tracheostomy) were assigned to a new DRG 474 (Respiratory System Diagnosis with Tracheostomy). We also created a new DRG 475 (Respiratory System Diagnosis with Ventilator Support). Currently cases group to DRG 475 when a patient with a principal diagnosis in MDC 4 receives mechanical ventilation (procedure code 93.92) and no operating room procedure or tracheostomy is performed during the hospital stay.

These two DRGs were created because our analysis of resource consumption by patients requiring mechanical ventilation indicated that these cases averaged charges that were 2 to 10 times the average charge for other patients in the same DRG for each DRG in MDC 4. In further evaluating the cases requiring ventilation, we noted a significant difference in use of resources between those patients for whom ventilator access was achieved through endotracheal intubation as opposed to tracheostomy. The average charge for cases involving tracheostomies was three times the average charge for other ventilator cases. Therefore, in recognition of the higher resources associated with mechanical ventilation of patients with a principal diagnosis of diseases and disorders of the respiratory system, we created DRGs 474 and 475.

We have received many requests that we expand DRGs 474 and 475 to include patients with other than respiratory diagnoses. Our initial classification focused on MDC 4 patients because patients requiring ventilator assistance are concentrated in this MDC. We have continued our research in this area, including evaluation of different methodologies for classifying ventilator patients, specifically, studies by the Yale DRG Refinement Project and by HSI for the State of New York.

Analysis of the FY 1988 and FY 1989 MEDPAR data demonstrates that there are in fact significant differences in resource consumption among the tracheostomy cases in the other MDCs, with consistently higher average charges than other cases in the same DRG. Additionally, the charges for these tracheostomy cases, with the exception of certain cases with a mouth, larynx, or pharynx disorder, were more similar to each other than to the other cases in the MDCs to which they are currently assigned. Tracheostomy patients with a mouth, larynx, or pharynx disorder incurred significantly lower charges than other tracheostomy patients; however, their charges are still higher than those of other cases in the same DRG. Cases with a principal diagnosis of a mouth, larynx, or pharynx disorder are more likely to require a tracheostomy as a therapeutic measure related to the principal diagnosis rather than in response to respiratory failure requiring long term ventilation.

The Yale DRG Refinement model creates a tracheostomy DRG within each MDC. We evaluated using this methodology and decided against using it because it would create a number of DRGs with few or no cases in them. Moreover, most of the groupings that did have cases were found to have similar resource requirements regardless of the DRG to which they were assigned. We concluded that establishing a tracheostomy DRG within each MDC was not warranted and, in view of the

number of low volume DRGs, problematic.

The New York model creates two separate tracheostomy DRGs, one for tracheostomy cases with a principal diagnosis of mouth, larynx, or pharynx disorders and one DRG for all other tracheostomy cases. Further, tracheostomy cases are assigned to one of these two DRGs prior to classification to an MDC.

We determined that the New York model would substantially improve payment for Medicare tracheostomy cases. We considered subdividing the tracheostomy cases other than those with a principal diagnosis of mouth, larynx, and pharynx disorders into a surgical DRG and a medical DRG since our analysis showed the tracheostomy cases involving a surgical procedure tend to have higher charges.

However, we concluded that this division would not significantly reduce the amount of variation in resource use within the tracheostomy DRGs. Therefore, we are proposing to create two tracheostomy DRGs: DRG 482 for patients with a disorder of the mouth, larynx, or pharynx who have one of the tracheostomy procedures performed (procedure codes 31.1, 31.21, or 31.29), and DRG 483 for all other patients with at least one of the tracheostomy procedure codes. We would delete DRG 474 since all cases that currently group to DRG 474 would now be assigned to DRG 483.

Tracheostomy patients would be assigned to DRG 482 or 483 prior to other DRG and MDC assignment but after patients have been classified to the Liver or Bone Marrow Transplant DRGs 480 or 481. We would group cases to the tracheostomy DRGs before the new DRGs for HIV infection or multiple significant trauma because, for the Medicare population, tracheostomy patients tend to incur higher charges than either HIV or trauma patients. (In the New York Grouper, cases are first assigned to the MDCs for HIV infection and multiple significant trauma).

The proposed DRGs would address all tracheostomy cases, regardless of the MDC to which their principal diagnosis would have assigned them. We have received comments that all mechanical ventilation cases, not just tracheostomy cases, should receive special consideration. As noted above, cases with MDC 4 principal diagnoses and mechanical ventilation currently classify to DRG 475 if no surgical procedure or tracheostomy is performed. We are continuing to analyze resource consumption for nontracheostomy, ventilator-assisted patients in medical DRGs outside MDC 4.

At this time, we believe that there is no reliable measure of the impact of mechanical ventilation (as identified by procedure code 93.92) on surgical cases. These cases routinely require some mechanical ventilation assistance and the charges associated with this are included in the charges for the DRG which is weighted accordingly.

It has been suggested that time on mechanical ventilation is one criterion for determining resource intensity and could serve to distinquish routine surgical mechanical assistance from the more extensive care associated with prolonged ventilation. We have given considerable thought to this recommendation. However, at this time, we have no way to identify the length of time spent on mechanical ventilation. As stated in the September l, 1989 final rule (54 FR 36456), the ICD-9-CM Coordination and Maintenance Committee reviewed whether it would be appropriate to change the ventilator procedure codes to reflect the length of ventilator time. A number of categorical approaches have been suggested but, in the absence of supporting empirical evidence as to the appropriate time intervals that should be established, the Committee recommended against making any changes effective October l, 1990. We are, however, continuing to consider and research this issue in an effort to address the concerns of hospitals that ventilator-assisted patients consume above average resources.

Since our analysis is not yet complete, we are not proposing any change for mechanical ventilation cases at this time. Patients with an MDC 4 principal diagnosis, no surgical procedure or tracheostomy, and mechanical ventilation (code 93.92) will continue to group to DRG 475.

d. *Multiple significant trauma.* Currently, there is no specific group of DRGs to which multiple trauma cases are assigned. There is an MDC for injuries, poisoning, and toxic effects of drugs (MDC 21) that contains several surgical DRGs for injuries and three medical DRGs for multiple trauma. However, most injury and trauma cases group to one of the other MDCs based on the body system affected by the principal diagnosis. For example, a significant number of multiple trauma cases group to the DRGs in MDC 8 for major joint and limb reattachment procedures and hip and femur procedures. As a result, there is no single set of multiple trauma DRGs; also, the cases that do group to the medical DRGs for multiple trauma (DRGs 444, 445, and 446) tend to have relatively low resource requirements and, therefore, relatively low weights.

The DRG classification system has received considerable criticism because there are no DRGs designed for multiple trauma cases. These cases tend to be extremely resource intensive and to incur long lengths of stay. Because these cases are assigned to DRGs based on principal diagnosis, they are included in DRGs with other generally less expensive cases and, thus, tend to receive Medicare payments that are far less than the cost of treating the case.

In the model used in New York, patients with a principal diagnosis of trauma (diagnosis codes 8000–9049; 9100–9299, and 9500–9599) group to a multiple trauma MDC if at least one other significant trauma diagnosis code from a different body site category is reported as a secondary diagnosis. The New York model recognizes eight different body site categories; head, chest, abdomen, kidney, urinary, pelvis and spine, upper limb, and lower limb.

Analysis of the FY 1989 MEDPAR data using the New York model to identify multiple trauma cases indicates these cases had significantly higher resource consumption, measured in average total charges, when compared to the other cases in the DRGs to which they are currently assigned and that establishing DRGs for multiple significant trauma would result in more homogeneous groupings of Medicare trauma cases.

We also believe that the creation of multiple significant trauma DRGs would improve payments under other insurance programs that have adopted the Medicare DRG classifications system for population groups that are more likely to incur traumatic injury than the aged and disabled Medicare population. Therefore, we are proposing to create a new MDC 24 (Multiple Significant Trauma) with three surgical DRGs and one medical DRG to classify Medicare multiple significant trauma cases. These cases would be assigned to DRGs after assignment of cases to bone marrow and liver transplant and tracheostomy DRGs and before cases are assigned to the current MDCs. Table 6h in section IV of the addendum to this proposed rule lists the diagnosis codes included in each body site category.

Based on HCFA data analysis, the following DRG groupings are proposed for multiple significant trauma:

DRG 484 Craniotomy for Multiple Significant Trauma
DRG 485 Hip, Femur and Limb Reattachment Procedures for Multiple Significant Trauma

DRG 486 Other OR Procedures for Multiple Significant Trauma
DRG 487 Other Multiple Significant Trauma

The OR procedures allowed for MDC 24 would be all of the OR procedures allowed for MDC 21 plus OR procedure codes 01.21, 01.42, 01.51, 01.6 and 02.14. If an OR procedure other than one of these is performed, the case will be assigned to DRG 468 (Extensive OR Procedure Unrelated to Principal Diagnosis), DRG 476 (Prostatic OR Procedure Unrelated to Principal Diagnosis), or DRG 477 (Non-Extensive OR Procedure Unrelated to Principal Diagnosis). Multiple significant trauma cases with no OR procedure would group to DRG 487.

For purposes of clarity and to lessen confusion concerning the DRGs to which multiple trauma cases group, we are proposing to revise the titles of the current DRGs 444, 445, and 446 (Multiple Trauma) in MDC 21 to Traumatic Injury.

e. *Human immunodeficiency virus (HIV) infections.* We have been evaluating the impact on the Medicare population of the increasing number of cases with human immunodeficiency virus (HIV) infections to ensure that payment under the DRG classification system for these patients is appropriate.

Prior to October 1, 1986, it was not possible to identify these cases for analysis, because there were no unique ICD–9–CM diagnosis codes for reporting the disease. The increasing incidence and importance of HIV infection created a demand for more specific disease codes that would allow public health officials, clinical researchers, and agencies that finance medical care to monitor diagnoses of acquired immunodeficiency syndrome (AIDS) and other manifestations of HIV infection accurately. The National Center for Health Statistics, at the request of the Centers for Disease Control (CDC), introduced HIV-specific codes effective October 1, 1986.

HIV infections are identified by diagnosis codes 042.0–042.9 (HIV infection with specified conditions), 043.0–043.9 (HIV infection causing other specified conditions), and 044.0–044.9 (Other HIV infection). Currently, cases that have one of these codes as the principal diagnosis are assigned to DRGs 398 or 399 (Reticuloendothelial and Immunity Disorders) in MDC 16 (Diseases and Disorders of the Blood and Blood Forming Organs and Immunological Disorders).

With the availability of codes to identify Medicare inpatient discharges with a diagnosis of HIV infection, we undertook extensive data analysis using 2 years of MEDPAR data (FY 1987 and FY 1988). This analysis revealed an increase of 101 percent in the incidence of HIV infections in the Medicare inpatient population in 1988 over 1987. It also showed that HIV infected patients were distributed across a number of DRGs and that their costs were significantly higher than other patients within the same DRG. In addition, we found that surgical patients differed noticeably from medical patients in terms of resource consumption as measured by total charges.

Because of the substantial increase in HIV infection cases and our analysis of the charge data for these cases, we believe that it is now appropriate to establish separate DRGs for HIV cases. The New York model assigns cases to DRGs for HIV infection when the principal diagnosis is either diagnosis code 042.0–042.9, 043.0–043.9, or 044.0–044.9, or when one of these codes is a secondary diagnosis and the principal diagnosis is an HIV infection related condition. Generally, GROUPER logic is designed to use principal diagnosis in assigning cases to a DRG. However, the use of secondary diagnoses in combination with principal diagnosis is not without precedent in the DRG system. MDC 9 (DRGs 257 through 262), MDC 15 (DRGs 380 through 390), and MDC 22 (DRGs 457 and 472) group patients based on principal and secondary diagnoses.

Based on our analysis of FY 1989 MEDPAR data, we are proposing to add a new MDC 25 (Human Immunodeficiency Virus Infections) with three DRG categories for HIV infected patients. These classifications are as follows:

DRG 488 HIV with Extensive OR Procedure
DRG 489 HIV with Major Related Condition
DRG 490 HIV with or without Other Related Condition

We are proposing to limit the HIV-related conditions to those identified by CDC. These conditions, which were originally set forth in CDC's Official Authorized Addendum to ICD–9–CM (Revision No. 1) effective January 1, 1988, are listed in Volume 1 in the "Includes Only" notes under diagnosis codes 042.0, 042.1, 042.2, 043.1, 043.3, and 044.0. It is our understanding that CDC is currently reviewing their list of HIV-related conditions and may be making some revisions. If these revisions are made prior to publication of the final rule, we will include them in the final GROUPER for FY 1991, if time permits.

Cases would be assigned to MDC 25 prior to the current MDC classifications, but after cases have been grouped to the liver and bone marrow transplant, tracheostomy, or multiple significant trauma DRGs.

The OR procedures allowed for DRG 488 would be all OR procedures other than nonextensive OR procedures. Nonextensive procedures are those OR procedures that result in assignment to DRG 477 when the procedure is unrelated to the principal diagnosis. (See discussion below in section II.B.8 of this preamble regarding proposed changes to DRG 477.) Surgical cases with only a nonextensive OR procedure and medical cases would be assigned to DRG 489 or 490 based on the HIV-related condition. If the HIV-related condition involves a disease or disorder of the central nervous system, a malignancy, an infection, or other major related condition, the case would be assigned to DRG 489. The remaining cases, with and without an HIV-related condition, would be assigned to DRG 490. In Table 6i in section IV of the addendum to this proposed rule, we have listed those HIV-related conditions that are necessary as a principal diagnosis for assignment to MDC 25 where HIV is reported as a secondary diagnosis and we have indicated those conditions that are considered to be major and would be assigned to DRG 489 when no extensive OR procedure is performed.

3. MDC 5: Diseases and Disorders of the Circulatory System

a. *Background.* We made a number of revisions to the MDC 5 logic in FY 1986 and FY 1987 to reflect changes in practice patterns and the development of new technologies. In the first GROUPER version (the one used in FY 1984 and FY 1985), DRG 108 (Cardiothoracic Procedures, except Valve and Coronary Bypass, with Pump) included only 36 cardiothoracic procedures, such as Removal of coronary artery obstruction (at that time, code 36.0) and Total repair of total anomalous pulmonary venous connection (code 35.82). These procedures were generally considered by the clinicians involved in developing the DRGs to require the use of a cardiopulmonary bypass pump or heart-lung machine (Extracorporeal circulation (code 39.61)). DRG 109 (Cardiothoracic Procedures without Pump) included 28 cardiothoracic procedures that did not generally require the bypass pump, such as Closed heart valvotomy, aortic valve (code 35.01), Implant of pulsation balloon (code 37.61), and Open chest cardiac massage (code 37.91). DRG 108 was ordered in the surgical hierarchy for MDC 5 after the other cardiothoracic procedures performed with the bypass pump as follows: Heart Transplant

(DRG 103), Valve Procedures (DRGs 104 and 105), and Coronary Bypass (DRGs 106 and 107).

By FY 1986, our medical staff had advised us that these classifications were no longer always appropriate. That is, not all of the procedures assigned to DRG 108 need always be performed with a heart pump and procedures in DRG 109 would occasionally be performed with it. In either case, the cases that required the bypass pump would normally be more resource intensive than those cases involving the same procedures when no bypass pump was used. Intermingling the data for two clinically distinct classes of cases in the same DRG would distort the average cost or charge data and, thus, the relative weight determined through recalibration.

In the June 10, 1985 proposed rule (50 FR 24419), we proposed combining the procedure lists for DRGs 108 and 109. DRG 108 would then be assigned to those cases when the pump was used. Hospitals would identify these cases by coding 39.61 as one of three procedures shown on the Medicare bill in addition to the surgery code. In the same proposal, we addressed the correct DRG assignment for the new procedure percutaneous transluminal coronary angioplasty (PTCA).

Before a separate ICD-9-CM procedure code was established for PTCA in FY 1987, it was included in procedure code 36.0, which was assigned to DRG 108. Although certain open procedures that would require extracorporeal circulation were also classified in 36.0, this code had come to be used almost exclusively for PTCA. We believed that these lower cost cases were also undermining the relative weight of DRG 108. We proposed moving procedure code 36.0 to DRG 112 (Vascular Procedures Except Major Reconstruction) to reflect the lower resource use involved in performing a PTCA.

A number of commenters who responded to the June 10, 1985 proposed rule stated that our rationale for combining the procedures assigned to DRGs 108 and 109 could also be applied to the procedures assigned to DRGs 110 and 111 (Major Reconstructive Vascular Procedures) and DRG 112. That is, they were also sometimes performed using a bypass pump. They opposed moving procedure code 36.0 to DRG 112 because, using only the three procedures shown in the bill data, there was no way to distinguish the open procedures requiring the bypass pump from the PTCAs. We agreed with these commenters and revised DRG 108 by combining the procedure lists for DRGs 108 through 112. When performed with the bypass pump and coded along with 39.61, procedures on this list were assigned to a new DRG 108 (Other Cardiovascular or Thoracic Procedures, with Pump). Without code 39.61, these procedures continued to be assigned to DRGs 109 through 112, based on the previous separate lists for the DRGs.[2] We assigned code 36.0 both to DRG 108 for open procedures and to DRG 112 for PTCAs where no bypass pump was used.

The following distinct procedure codes for open angioplasties and PTCAs were developed by the ICD-9-CM Coordination and Maintenance Committee for use effective with discharges occurring on or after October 1, 1986:

36.00 Removal of coronary artery obstruction, NOS
36.01 Single vessel PTCA, without mention of thrombolytic agent
36.02 Single vessel PTCA, with thrombolytic agent
36.03 Open chest coronary artery angioplasty
36.04 Intracoronary artery thrombolytic infusion
36.09 Other specified removal of coronary artery obstruction

The new codes were classified as operating room or nonoperating room procedures and assigned to the appropriate DRGs based upon the definition of the new code. Code 36.04 was determined to be a nonoperating room procedure. Code 36.03 was considered an operating room procedure and was assigned to DRGs 108 and 109 since its definition included only open procedures. The remaining operating room procedures, code 36.00, the PTCA codes 36.01 and 36.02, and 36.09 were assigned to DRGs 108 and 112. Under the provisions of § 412.10 of the regulations, these codes were assigned to appropriate DRGs as if they were still the previously used code 36.0 until data could be reviewed to determine the appropriate DRG assignment. However, before a reassignment could be finalized in FY 1988, the Committee further refined the PTCA codes by creating another category:

36.05 Multiple vessel PTCA, performed during the same operation, with or without mention of thrombolytic agent

This code was also assigned to DRGs 108 and 112 for discharges occurring on or after October 1, 1987.

Since FY 1985, analysis of the standardized charges in the Medicare bills assigned to DRGs 106 and 107 shows a consistent decrease in the charges in the bills for coronary bypass (DRGs 106 and 107). The bill data reveal that at least part of this decrease is accounted for by a shift of cases to DRG 108. In the surgical hierarchy analysis of the FY 1986 MEDPAR data conducted for FY 1988, the standardized charges for DRG 108 had exceeded the case-weighted average charges for DRGs 106 and 107 by almost $700.00. This would normally have been considered a sufficient differential to consider a reordering of the hierarchy. However, the interrelationship of the surgeries assigned to these DRGs is complex and is not adequately represented by the limited number of procedures (three) that may be shown on the Medicare bill. Thus, we did not believe that this was a large enough difference to justify a change in FY 1988. However, for FY 1989, analysis of the FY 1987 MEDPAR data showed that the difference had increased to just over $2,700.00. The application of the existing surgical hierarchy no longer resulted in the assignment of cases involving multiple surgical procedures to the DRG associated with the most resource intensive surgical class. Therefore, we proposed to revise the surgical hierarchy by reordering DRG 108 above DRGs 106 and 107. In the September 30, 1988 final rule (53 FR 38485), we finalized this change.

Due to the changes that were made to try to capture the PTCA cases before the ICD-9-CM codes were available, an illogical code combination persists in DRG 108. This logic allows the grouping of a PTCA code such as 36.05, or a vascular code such as Other surgical occlusion of aorta, NEC (38.84), which is incidental to the coronary bypass procedure, to DRG 108 if the bill also shows code (39.61). These procedures would not generally require the bypass pump unless an open heart surgery such as a coronary bypass procedure (codes 36.10 through 36.19) was also performed. Prior to the hierarchy change, this sequence would seldom have been coded. Although a note under the ICD-9-CM codes for bypass procedures advises to "code also" the use of a pump (code 39.61), the GROUPER logic for DRGs 106 and 107 does not require the coding of the pump for DRG assignment.

Two commenters on the May 8, 1989 proposed rule requested that we reverse this hierarchy change because the change had resulted in disputes as to the proper sequencing of surgical procedures on the Medicare bill. We did not adopt their comments because we believed that the change was appropriate under the surgical hierarchy guidelines. The FY 1988 MEDPAR data

[2] Three procedure codes from DRG 112 were reclassified to DRGs 110 and 111: codes 38.46, 38.47, and 38.48.

indicated that the DRG 108 cases were still more resource intensive. The average standardized charges for cases in DRG 108, based on the revised surgical hierarchy, were $3,400.00 higher than the case-weighted average of the standardized charges for coronary bypass cases in DRGs 106 and 107. Therefore, we made an interim adjustment to the DRG logic in MDC 5 in an attempt to alleviate the problems that this hierarchy change had created and promised to re-examine the problem during FY 1990.

We continue to believe that our decision, as set forth in the September 30, 1988 final rule, on reordering the MDC 5 surgical hierarchy was necessary in view of the data. We have been analyzing the FY 1989 MEDPAR data to address the difficulties that have developed in the coding and billing of these DRGs since the hierarchy change. The FY 1989 MEDPAR data show that the average standardized charge for cases classified in DRG 108 after the hierarchy change exceeds the case-weighted average standardized charge for cases assigned to DRGs 106 and 107 by nearly $12,500.00. The data show a reduction of over 10,500 cases in DRGs 106 and 107.

Based on our review of the cases for FY 1989, we believe that many of these coronary bypass cases that were in DRGs 106 and 107 are included in the nearly 15,000 case increase in the number of DRG 108 cases for the same period. In spite of coding guidelines and PRO sequencing guidelines that require the coronary bypass procedure to be shown in the first three positions on the Medicare bill, we believe that many hospitals have sequenced the coronary bypass procedure codes to the fourth position in the medical record. Because the billing form has room for only three procedure codes, the coronary bypass procedure codes are not showing up in the MEDPAR data. This information may now only be consistently available from the medical record itself.

We do not believe that hospital medical records staffs are routinely trying to code incorrectly to obtain the higher-weighted DRG 108. As we explained in last year's final rule, many of the DRG "finder" software packages available contain a resequencing function that will search for codes following the DRG logic trees found in the DRG Definitions Manual. Since the hierarchy change, when the procedure codes entered by the hospital medical records department include those codes conditionally assigned to either DRG 108 or DRGs 109 through 112, the software will look for the pump (code 39.61). If that code is not shown, the software will assign the case to the appropriate DRG ranked lower than DRG 108 in the hierarchy.

In the course of examining the DRG logic for DRGs 106, 107, and 108 in FY 1989, we noted a problem with the assignment of PTCA (codes 36.01, 36.02, and 36.05). PTCA involves the insertion of a catheter in the arm or leg that is passed into the vessels that supply the heart muscle. Although PTCA is comparable clinically and in resource intensity to other cardiac catheterization procedures, it was not listed as a cardiac catheterization in DRG 106 (Coronary Bypass with Cardiac Catheterization). As a result, if PTCA was performed but the patient still required coronary bypass surgery (and did not receive another cardiac catheterization procedure), the case would have been assigned to the lower-weighted DRG 107 (Coronary Bypass without Cardiac Catheterization). Therefore, even though we had not proposed a change in the PTCA assignment, in the September 1, 1989 final rule, we assigned PTCA as a cardiac catheterization procedure to DRG 106 (54 FR 36467). The title "Non-Operating Procedures" was changed to "Cardiac Catheterization Procedures" in the GROUPER definitions for DRG 106. Given the comparability of PTCA with other cardiac catheterization procedures, we believed it would be inappropriate to delay implementation of this change for another year. Only a small number of cases were affected by this change.

Another issue that has complicated our analysis of MDC 5 has been the increased use of electrophysiologic (EP) studies over the past 5 years. EP studies are used primarily to diagnose cardiac arrythmias (irregular heart beats) and to identify the appropriate drug to be prescribed for patients with certain types of potentially life-threatening cardiac arrhythmias.

In the September 30, 1988 final rule, we discussed our inability to determine whether EP studies should be treated as OR procedures in order to have an effect on DRG assignment (53 FR 38488). We stated that the FY 1987 MEDPAR data indicated that the incidence of EP studies was too small to warrant differential payment. We encouraged hospitals to code EP studies on their billing forms so that we might conduct a more thorough analysis of this procedure.

The American College of Cardiology, a number of cardiologists and electrophysiologists, and a major health industry manufacturer objected to the continued treatment of cardiac electrophysiologic stimulation and recording studies (procedure code 37.26) as a non-OR procedure since this would mean that this procedure would continue to have no effect on DRG assignment. A majority of the commenters believe that EP studies should be treated as either a cardiac catheterization or an OR procedure for the purpose of DRG assignment. Although generally performed in a catheterization laboratory or radiology suite rather than in an operating room, EP studies involve significant levels of time and resources in managing patients with potentially life-threatening cardiac arrhythmias. Multiple drug testing in cases that do not ultimately involve surgery can involve stays of over 2 weeks in length.

EP studies and cardiac mapping were previously identified under procedure code 37.29 (Other diagnostic procedures on the heart and pericardium) until October 1, 1988 when the distinct procedure codes for EP studies became effective. In the absence of verifiable data under code 37.29, we had reasoned that the cost of EP studies should have already been reflected in the relative weights of both the medical and surgical DRGs in which such cases had been classified.

In our analysis of this issue as presented in the September 30, 1988 final rule, we concluded that the number of cases available for review from the FY 1987 MEDPAR file was too small to warrant differential payment and that there are sufficient numbers of other cases to average out payments (53 FR 38489).

After analyzing the FY 1989 MEDPAR file for DRGs showing the new procedure code 37.26, we believed the data supported the comparability of EP studies to cardiac catheterization procedures in terms of resource use and time required. Based on this analysis and the concurrence of our medical staff, in the September 1, 1989 final rule we made a number of changes in the DRG assignment of procedure code 37.26 for discharges occurring on or after October 1, 1989 (54 FR 36465). We added 37.26 to the listing of nonoperating room procedures in DRGs 104, 108, and 112.

b. *Proposed revision.* After viewing the development of the current MDC 5 logic, we believe that there are a number of corrections that will provide a long-term solution to the classification and sequencing problems that have developed. First, the number of fields allocated on the UB–82 (the billing form used for Medicare discharges) to show diagnosis and procedure codes must be

expanded to include more than five diagnosis codes and three procedure codes. We believe that this will correct the code sequencing problem by providing more than three fields to enter the relevant procedure codes. We have asked that the Uniform Bill Committee include this expansion and we anticipate that the revised UB-82 will be in use for discharges occurring on or after October 1, 1990.

We are also proposing to revise the logic of MDC 5 to return to a clinical partitioning more like the original FY 1984 partitioning. The reporting of extracorporeal circulation or bypass pumps in open heart surgery was not required until we revised the DRGs in FY 1986, in part, to reflect the use of code 36.0 for PTCA. That is, DRGs 103 through 108 included by definition procedures that were generally performed with the pump, and DRGs 109 through 112 included those that were generally not performed with one. Now that there are distinct codes for open and closed angioplasty procedures, we propose to eliminate the requirement to code the pump (code 39.61) in order to be assigned to DRG 108 and reassign the codes in that DRG that are generally not considered to require the pump. Where this distinction is not clear, we have made the classification based on clinical coherence and resource utilization.

We also would create a new DRG 112 that includes percutaneous cardiovascular procedures (that is, PTCA, EP studies, and Cardiac mapping (code 37.27)). Based on consultation with our medical advisors, we are proposing to group the procedures currently assigned to DRGs 108 through 112 as follows:

- Cardiothoracic procedures.
- Major cardiovascular procedures.
- Other vascular procedures.
- Percutaneous cardiovascular procedures.

We asked our advisors to review the procedures in DRGs 108 through 112 and to divide them according to the new groupings. These categories were then evaluated based on MEDPAR charge data to determine whether or not it was appropriate to split them on the basis of CCs. Based on this review, we are proposing that the major cardiovascular and other vascular procedure groups be split on the basis of CCs. We also considered whether a more clinically coherent group would be formed by splitting the cardiothoracic procedures on the basis of whether or not cardiac catheterization was performed in the same operation. However, no significant difference was found between the two categories. Therefore, we are not proposing a split.

The resulting DRGs are quite similar to those in MDC 5 in the original GROUPER (FY 1984 and FY 1985) with the addition of the separate DRG for percutaneous procedures and classification changes based upon ICD-9-CM code categories introduced since FY 1986.

The proposed revision would not change the logic in DRGs 104 through 107 and DRGs 113 through 145, except in the surgical hierarchy for MDC 5, which is described below. We have removed mention of the pump from all DRG titles. We have also proposed a code assignment correction for DRGs 115 and 121, as described in section II.B.5 of this preamble, below.

In order to accommodate the proposed changes, we would delete DRG 109 and add two new DRGs (478 and 479). The proposed revised DRGs and their titles are as follows:

DRG	Description
104	Cardiac Valve Procedures with Cardiac Catheterization.
105	Cardiac Valve Procedures without Cardiac Catheterization.
106	Coronary Bypass with Cardiac Catheterization.
107	Coronary Bypass without Cardiac Catheterization.
108	Other Cardiothoracic Procedures.
109	No longer valid.
110	Major Cardiovascular Procedures with CC.
111	Major Cardiovascular Procedures without CC.
112	Percutaneous Cardiovascular Procedures.
478	Other Vascular Procedures with CC.
479	Other Vascular Procedures without CC.

The proposed DRG 108 would be essentially the same as DRG 108 in FY 1984. The proposed DRG 108 would retain the following codes in the current DRG 108:

35.31—Operations on papillary muscle
35.32—Operations on chordae tendineae
35.33—Annuloplasty
35.34—Infundibulectomy
35.35—Operations on trabeculae carneae cordis
35.39—Operations on other structures adjacent to valves of heart
35.42—Creation of septal defect in heart
35.50—Repair of unspecified septal defect of heart with prosthesis
35.51—Repair of atrial septal defect with prosthesis, open technique
35.52—Repair of atrial septal defect with prosthesis, closed technique
35.53—Repair of ventricular septal defect with prosthesis
35.54—Repair of endocardial cushion defect with prosthesis
35.60—Repair of unspecified septal defect of heart with tissue graft
35.61—Repair of atrial septal defect with tissue graft
35.62—Repair of ventricular septal defect with tissue graft
35.63—Repair of endocardial cushion defect with tissue graft
35.70—Other and unspecified repair of unspecified septal defect of heart
35.71—Other and unspecified repair of atrial septal defect
35.72—Other and unspecified repair of ventricular septal defect
35.73—Other and unspecified repair of endocardial cushion defect
35.81—Total repair of tetralogy of Fallot
35.82—Total repair of total anomalous pulmonary venous connection
35.83—Total repair of truncus arteriosus
35.84—Total correction of transposition of great vessels, NEC
35.91—Interatrial transposition of venous return
35.92—Creation of conduit between right ventricle and pulmonary artery
35.93—Creation of conduit between left ventricle and aorta
35.94—Creation of conduit between atrium and pulmonary artery
35.95—Revision of corrective procedure on heart
35.98—Other operations on septa of heart
35.99—Other operations on valves of heart
36.03—Open chest coronary artery angioplasty
36.2—Heart revascularization by arterial implant
36.3—Other heart revascularization
36.91—Repair of aneurysm of coronary vessel
36.99—Other operations on vessels of heart
37.10—Incision of heart, NOS
37.11—Cardiotomy
37.32—Excision of aneurysm of heart
37.33—Excision or destruction of other lesion or tissue of heart

In addition, we would assign thoracoabdominal aortic aneurysm repair (TAAA) to DRG 108 when both procedures are performed during the same operation:

38.44—Resection of abdominal aorta with replacement
38.45—Resection of thoracic vessel with replacement

We are including this code pair in the proposed DRG 108 logic to ensure that TAAA would remain in this group, while cases involving a single resection procedure would be reassigned to proposed DRG 110 and 111. This procedure code category was revised effective October 1, 1986 to add a "Code also" note to require both codes if the procedure involved the thoracic vessel

and the abdominal aorta. The "Code also" ICD-9-CM convention in the Tabular List requires that all procedures be coded when they represent components of a procedure that are accomplished at the same time, and no common classification for the combination exists. (ICD-9-CM, 9th Revision, 3rd Edition, October 1988, Volume 3, Introduction, page xxii.) Codes 38.44 and 38.45 were included in DRG 108 when the pump (39.61) was also used beginning with October 1, 1986. We stated that the TAAA operations should be coded showing both codes to allow us to distinguish them from other aneurysm repairs. Since then, the data have consistently shown that TAAA cases both with and without the pump (that is, in DRGs 108 and 109, respectively) have charges that are more similar to those of the new DRG 108 than those of the lower cost vascular surgeries.

DRG 109 will no longer be valid. All but one (that is, 37.64) of the remaining procedures that were originally in this DRG and were subsequently assigned to both DRG 108 and 109 are reclassified into proposed DRGs 110 and 111 (Major Cardiovascular Procedures). These DRGs also include all but two of the procedures classified in current DRGs 110 and 111 (that is, 38.38 and 38.48), plus the following procedures that are classified in current DRGs 108 and 112:

36.00—Removal of coronary artery obstruction, NOS
36.09—Other specified removal of coronary artery obstruction
38.04—Incision of vessel, aorta
38.06—Incision of vessel, abdominal arteries
38.07—Incision of vessel, abdominal veins
38.66—Other excision of vessels, abdominal arteries
38.67—Other excision of vessels, abdominal veins
38.86—Other surgical occlusion of vessels, abdominal arteries
38.87—Other surgical occlusion of vessels, abdominal veins
39.1—Intra-abdominal venous shunt
39.54—Re-entry operation, aorta

The one remaining procedure code from current DRGs 108 and 109 and three procedure codes remaining from current DRGs 110 and 111 are reclassified to proposed DRGs 478 and 479:

37.64—Removal of heart assist system
38.38—Resection of lower limb arteries with anastomosis
38.48—Resection of lower limb arteries with replacement
39.29—Other peripheral vascular shunt or bypass

DRGs 478 and 479 would consist of the codes above and all of the other procedure codes that are currently assigned to both DRGs 108 and 112, except the following percutaneous procedures, which would be included in the proposed DRG 112:

35.96—Percutaneous valvuloplasty
36.01—Single vessel PTCA, without mention of thrombolytic agent
36.02—Single vessel PTCA, with thrombolytic agent
36.05—Multiple vessel PTCA performed during the same operation, with or without mention of thrombolytic agent
37.34—Catheter ablation of lesion or tissue of heart

The following two nonoperating room procedures would also be included in DRG 112:

37.26—Cardiac electrophysiologic stimulation and recording studies
37.27—Cardiac mapping

We would add the nonoperating room procedure 37.27 to the proposed DRG 112, but not to the cardiac catheterization procedure lists in DRGs 104 and 106.

Based on our proposed changes and preliminary recalibration of the DRGs, we are proposing the following surgical hierarchy for MDC 5. (For a detailed discussion of surgical hierarchy, see section II.B.6, below.)

DRG	Description
103	Heart Transplant.
104 and 105	Cardiac Valve Procedures.
108	Other Cardiothoracic Procedures.
106 and 107	Coronary Bypass.
110 and 111	Major Cardiovascular Procedures.
115 and 116	Permanent Cardiac Pacemaker Implant.
113	Amputation for Circulatory System Disorders Except Upper Limb and Toe.
478 and 479	Other Vascular Procedures.
112	Percutaneous Cardiovascular Procedures.
117 and 118	Cardiac Pacemaker Revision.
114	Upper Limb and Toe Amputation for Circulatory System Disorders.
119	Vein Ligation and Stripping.
120	Other Circulatory System Or Procedures.

4. Reassignment of Patients with Guillain-Barre Syndrome

Guillain-Barre syndrome (diagnosis code 357.0) is a postinfectious polyneuropathy in which severely affected patients may require ventilatory assistance and long intensive-care stays. Currently, Guillain-Barre syndrome discharges have been assigned to DRGs 18 and 19 (Cranial and Peripheral Nerve Disorders). In its March 1, 1989 report, ProPAC recommended assigning Guillain-Barre syndrome cases to either DRG 20 (Nervous System Infection Except Viral Meningitis) or DRG 34 (Other Disorders of Nervous System With CC) or to a new DRG as more appropriate in terms of resource consumption. In the September 1, 1989 final rule (54 FR 36464), we stated that we had not received this recommendation in time to complete analysis of the data and evaluation of the clinical consistency of this classification in time to make a decision prior to the completion of the FY 1990 DRG changes.

ProPAC has repeated this recommendation in its March 1, 1990 report (Recommendation 12). ProPAC further recommends that Guillain-Barre patients who receive a tracheostomy would be most appropriately classified with other tracheostomy patients.

We have now examined this issue as part of our ongoing DRG refinement analysis. Our analysis confirms the finding that the average resource use associated with Guillain-Barre syndrome cases is higher than the average resource use for cases in DRGs 18 and 19. We further evaluated DRGs 20 and 34 to determine which DRG would be most appropriate for Guillain-Barre syndrome patients. Evaluation of clinical coherence by our medical consultants supports the assignment of Guillain-Barre syndrome cases to DRG 20. Analysis indicates that the highest costs incurred by the Guillain-Barre syndrome patients were those with tracheostomies.

We are proposing to assign all tracheostomy cases to one of two new DRGs as discussed above in section II.B.2 of this preamble. Therefore, we believe that assigning the remaining Guillain-Barre syndrome cases to DRG 20 is also appropriate in terms of resource consumption. Therefore, we are proposing to move Guillain-Barre syndrome cases from DRGs 18 and 19 to DRG 20.

5. Hypertensive Heart and Renal Disease

A number of individuals have questioned the assignment of the following diagnosis codes:

404.01—Hypertensive heart and renal disease, malignant, with congestive heart failure
404.03—Hypertensive heart and renal disease, malignant, with congestive heart failure and renal failure
404.11—Hypertensive heart and renal disease, benign, with congestive heart failure
404.13—Hypertensive heart and renal disease, benign, with congestive heart failure and renal failure

404.91—Hypertensive heart and renal disease, unspecified, with congestive heart failure

404.93—Hypertensive heart and renal disease, unspecified, with congestive heart failure and renal failure

These diagnoses are currently assigned to DRG 124 (Circulatory Disorder Except AMI, With Cardiac Catheterization and Complex Diagnosis) and DRG 127 (Heart Failure and Shock). The commenters believed that these codes should also be assigned to DRG 115 (Permanent Cardiac Pacemaker Implant With AMI, Heart Failure or Shock) because patients with these conditions are potential candidates for pacemakers. We agree and are proposing the additional assignment of these codes to DRG 115. We are also proposing to add these codes to DRG 121 (Circulatory Disorders with AMI and Cardiac Vascular Complication, Discharged Alive) because they describe clinical conditions that are comparable to other conditions that are considered cardiovascular complications already included in DRG 121 (for example, congestive heart failure (code 428.0)).

6. Surgical Hierarchies

Some inpatient stays entail multiple surgical procedures, each one of which, occurring by itself, could result in assignment of the case to a different DRG within the MDC to which the particular principal diagnosis is assigned. It is therefore necessary to have a decision rule by which these cases are assigned to a single DRG. The surgical hierarchy, an ordering of surgical classes from most to least resource intensive, performs that function. Its application ensures that cases involving multiple surgical procedures are assigned to the DRG associated with the most resource-intensive surgical class.

Because the relative resource intensity of surgical classes can shift as a function of DRG reclassification and recalibration, we reviewed the surgical hierarchy of each MDC, as we have for previous reclassifications, to determine if the ordering of classes coincided with the intensity of resource utilization, as measured by the same billing data used to compute the DRG relative weights.

A surgical class can be composed of a single DRG or more than one DRG. For example, in MDC 5, the surgical class "heart transplant" consists of a single DRG and the class "coronary bypass" consists of two DRGs. Consequently, in many cases, the surgical hierarchy has an impact on more than one DRG. The methodology for determining the most resource-intensive surgical class, therefore, involves weighting each DRG for frequency to determine the average resources for each surgical class. For example, assume surgical class A includes DRGs 1 and 2 and surgical class B includes DRGs 3, 4, and 5, and that the weighting factor for DRG 1 is higher than that for DRG 3, but the weights for DRGs 4 and 5 are higher than the weight for DRG 2. To determine whether surgical class A should be higher or lower than surgical class B in the surgical hierarchy, we would weight the weighting factor of each DRG by frequency to determine average resource consumption for the surgical class and order the surgical classes from that with the highest to that with the lowest average resource utilization, with the exception of "other OR procedures" as discussed below.

This methodology may occasionally result in a case involving multiple procedures being assigned to the lower-weighted DRG of the available alternatives. However, given that the logic underlying the surgical hierarchy provides that the GROUPER searches for procedures that sometimes occur in cases involving multiple procedures, this result is unavoidable.

We would like to point out, notwithstanding the foregoing discussion, that there are a few instances where a surgical class with a smaller average relative weight is ordered above a surgical class with a higher average relative weight. For example, the "other OR procedures" group is uniformly ordered last in the surgical hierarchy of each MDC in which it occurs regardless of the fact that the weighting factor for the DRG or DRGs in that surgical class may be higher than that for other surgical classes in the MDC. The "other OR procedures" group is a class that is least likely to be related to the diagnoses in the MDC but are occasionally performed on patients with these diagnoses. Therefore, these procedures should only be considered if no other procedure more closely related to the diagnoses in the MDC has been performed.

A second example occurs when the difference between the two average weights for two surgical classes is very small. We have found that small differences generally do not warrant reordering the hierarchy since, by virtue of the hierarchy change, the weighting factors are likely to shift such that the higher-ordered surgical class has a lower average weight than the class ordered below it.

Based on the preliminary recalibration of the DRGs, we are proposing to modify the surgical hierarchy as set forth below.

As we stated in the September 1, 1989 final rule (54 FR 36457), we are unable to test the effects of the proposed revisions to the surgical hierarchy and to reflect these changes in the proposed relative weights due to the unavailability of revised GROUPER software at the time this proposed rule is prepared. Rather, we simulate most major classification changes to approximate the placement of cases under the proposed reclassification and then recalibrate the weights. These proposed weights then serve as our best estimate of relative resource use for that surgical class. We test the proposed surgical hierarchy changes after the revised GROUPER is received and reflect the final changes in the DRG relative weights in the final rule. Further, as discussed below in section II.C of this preamble, we anticipate that the final recalibrated weights will be somewhat different from those proposed since they will be based on more complete data. Consequently, further revision of the hierarchy, using the above principles, may be necessary in the final rule.

At this time, we would revise the surgical hierarchy for MDC 2 (Diseases and Disorders of the Eye), MDC 3 (Diseases and Disorders of the Ear, Nose, Mouth and Throat), MDC 9 (Diseases and Disorders of the Skin, Subcutaneous Tissue and Breast), and MDC 13 (Diseases and Disorders of the Female Reproductive System) as set forth below. (See section II.B.3, above, for a discussion of the MDC 5 changes, including surgical hierarchy).

a. In MDC 2, we would reorder Extraocular Procedures Except Orbit (DRGs 40 and 41) above Lens Procedures with or without Vitrectomy (DRG 39).

b. In MDC 3, we would reorder Cleft Lip and Palate Repair (DRG 52) below both Myringotomy with Tube Insertion (DRGs 61 and 62) and Mouth Procedures (DRGs 168 and 169).

c. In MDC 9, we would reorder Skin, Subcutaneous Tissue and Breast Plastic Procedures (DRG 268) above Perianal and Pilonidal Procedures (DRG 267).

d. In MDC 13, we would reorder Female Reproductive System Reconstructive Procedures (DRG 356) below both Vagina, Cervix and Vulva Procedures (DRG 360) and Laproscopy and Incisional Tube Interruption (DRG 361).

7. Refinement of Complications and Comorbidities List

There is a standard list of diagnoses that are considered complications and comorbidities (CCs). This list was developed by physician panels to

include those diagnoses that, when present as a secondary condition, would be considered a substantial complication or comorbidity. A substantial CC, in turn, is defined as a condition that, because of its presence with a specific principal diagnosis, would cause an increase in length of stay by at least one day for at least 75 percent of the patients.

Based upon clinical review by our medical consultants and analysis of the FY 1989 MEDPAR data, we are proposing to revise the list of diagnoses that are considered to be CCs as follows.

- We would add the following diagnoses to the CC list:

112.0—Candidiasis of mouth (Thrush)
357.0—Acute infective polyneuritis (Guillain Barre syndrome)

Each of these diagnosis codes will be considered a CC for any principal diagnosis not shown in Table 6e. Additions to the CC Exclusion List (see below).

- We would delete the following diagnoses from the CC list:

349.0—Reaction to spinal or lumbar puncture
575.6—Cholesterolosis of gallbladder
575.8—Other specified disorders of gallbladder
682.4—Other cellulitis and absess of hand, except fingers and thumb

Each of these diagnoses would no longer be considered a CC for any principal diagnosis.

In the September 1, 1987 final notice concerning changes to the DRG classification system (52 FR 33143), we modified the GROUPER logic so that certain diagnoses included on the standard list of complications and comorbidities would not be considered a valid CC in combination with a particular principal diagnosis. (Thus, we created the CC Exclusions List.) We made these changes to preclude coding of closely related conditions, to preclude duplicative coding or inconsistent coding from being treated as complications or comorbidities, and to ensure that cases are appropriately classified between the complicated and uncomplicated DRGs in a pair.

In the May 19, 1987 proposed notice concerning changes to the DRG classification system (52 FR 33143), we explained that the excluded secondary diagnoses were established using the following five principles:

- Chronic and acute manifestations of the same condition should not be considered CCs for one another (as subsequently corrected in the September 1, 1987 final notice (52 FR 33154)).
- Specific and nonspecific (that is, not otherwise specified (NOS)) diagnosis codes for a condition should not be considered CCs for one another.
- Conditions that may not co-exist, such as partial/total, unilateral/bilateral, obstructed/unobstructed, and benign/malignant, should not be considered CCs for one another.
- The same condition in anatomically proximal sites should not be considered as CCs for one another.
- Closely related conditions should not be considered as CCs for one another.

The creation of the CC Exclusions List was a major project involving hundreds of codes. The FY 1988 revisions were intended to be only a first step toward refinement of the CC list in that the criteria used for eliminating certain diagnoses from consideration as CCs were intended to identify only the most obvious diagnoses that should not be considered complications of another diagnosis. For that reason and in light of comments and questions on the CC list, we have continued to review the remaining CCs to identify additional exclusions and to remove diagnoses from the master list that have been shown not to meet the definition of a CC, stated above, as appropriate. See the September 30, 1988 final rule for the revision made for the discharges occurring in FY 1989 (53 FR 38485) and the September 1, 1989 final rule for the revision made for discharges occurring in FY 1990 (54 FR 36552).

We are proposing a limited revision of the CC Exclusions List, which includes corrections of errors in the existing list, addition of a number of excluded CCs, and the deletion of a number of excluded CCs. These proposed changes are being made in accordance with the principles established when we created the CC Exclusions List in 1987.

Tables 6e and 6f in section IV of the addendum to this proposed rule contain the proposed revisions to the CC Exclusions List that would be effective for discharges occurring on or after October 1, 1990. Each table shows the principal diagnoses with proposed changes to the excluded CCs. Each of these principal diagnoses is shown with an asterisk and the additions or deletions to the CC Exclusions List are provided in an indented column immediately following the affected principal diagnosis.

CCs that are added to the list are in Table 6e —Additions to the CC Exclusions List. (Currently, the indented diagnoses are recognized by the GROUPER as valid CCs for the asterisked principal diagnosis but will be excluded and thus ignored by the GROUPER beginning with discharges on or after October 1, 1990.)

CCs that are deleted from the list are in Table 6f—Deletions from the CC Exclusions List. (Currently, the indented diagnoses are excluded and are not recognized by the GROUPER as valid CCs for the asterisked principal diagnosis but will be recognized as valid CCs beginning with discharges on or after October 1, 1990.)

Copies of the original CC Exclusions List applicable to FY 1988 can be obtained from the National Technical Information Service (NTIS) of the Department of Commerce. It is available in hard copy for $64.95 and on microfiche for $18.50. These prices include $3.00 for shipping and handling. A request for the FY 1988 CC Exclusions List (which should include the identification accession number, ((PB) 88-133970), should be made to the following address:

National Technical Information Service, United States Department of Commerce, Springfield, Virginia 22161

or by calling (703) 487-4650.

Users should be aware of the fact that both of the previous revisions to the Exclusion List and those in Tables 6e and 6f of this document must be incorporated into the list purchased from NTIS in order to obtain the CC Exclusions List applicable for discharges occurring on or after October 1, 1990. (We do not intend to update the listing available from NTIS to reflect these or any future revisions.)

Alternatively, the complete documentation of the GROUPER logic, including the current CC Exclusions List, is available from Health Systems International (HSI). HSI, under contract with HCFA, is responsible for updating and maintaining the GROUPER program. The current DRG Definitions Manual, Sixth Revision is available for $195.00, which includes $15.00 for shipping and handling. The Seventh Revision of this manual, which will include the changes proposed in this document as finalized in response to public comment, will be available in September 1990 for $195.00. These manuals may be obtained by writing HSI at:

100 Broadway, New Haven, Connecticut 06511

or by calling (203) 562-2101.

Please specify the revisions requested.

8. Review of Procedure Codes in DRGs 468 and 477

Each year, we review cases assigned to DRG 468 (Extensive OR Procedure Unrelated to Principal Diagnosis) in

order to determine whether, in conjunction with certain principal diagnoses, there were certain procedures performed that are not currently included in the surgical hierarchy for the MDC in which the diagnosis falls. In FY 1989, this review resulted in the addition of DRG 476 (Prostatic OR Procedure Unrelated to Principal Diagnosis) and DRG 477 (Non-Extensive OR Procedure Unrelated to Principal Diagnosis). For a detailed discussion of these changes, see the September 30, 1988 final rule (53 FR 38487).

Since DRG 468 is reserved for those cases in which none of the OR procedures is related to the principal diagnosis, it is intended to capture atypical cases, that is, those cases not occurring with sufficient frequency to represent a distinct recognizable clinical group. DRGs 476 and 477 are assigned to specific subsets of these cases. DRG 476 is currently assigned to those discharges in which one of the following prostatic procedures is performed and it is unrelated to the principal diagnosis:

60.2—Transurethral prostatectomy
60.61—Local excision of lesion of prostate
60.69—Prostatectomy NEC
60.94—Control of postoperative hemorrhage of prostate

DRG 477 is assigned to those discharges in which the only procedure performed is a nonextensive procedure that is unrelated to the principal diagnosis.

In Table 6c in section IV of the addendum to the September 30, 1988 final rule, we listed the ICD-9-CM procedure codes for all of the procedures we consider nonextensive procedures if performed with an unrelated principal diagnosis. These cases are grouped in DRG 477.

We annually conduct a review of procedures producing DRG 468 or 477 assignments on the basis of volume of cases in these DRGs with each procedure. Our medical consultants then identify those procedures occurring in conjunction with certain diagnoses with sufficient frequency to justify adding them to one of the surgical DRGs for the MDC in which the diagnosis falls. On the basis of this review, we did not identify any changes that are necessary; therefore, we are not proposing to move any procedures from DRGs 468 and 477 to one of the surgical DRGs.

We have, however, identified some additional procedure codes that should be added to DRG 476. These codes represent prostatic OR procedures that are clinically similar to the four procedures that currently group to DRG 476 when they are performed on patients admitted for unrelated medical reasons. Therefore, we are proposing to assign to DRG 476 those discharges in which one of the following prostatic procedures is the only OR procedure performed and it is unrelated to the principal diagnosis:

60.0—Incision of prostate
60.12—Open biopsy of prostate
60.15—Biopsy of periprostatic tissue
60.18—Other diagnostic procedures on prostatic and periprostatic tissue
60.93—Repair of prostate
60.99—Other operations on prostate

We also reviewed the list of OR procedures that produce DRG 468 assignments to ascertain if any of those procedures should be moved to the list of nonextensive procedures that produce DRG 477 assignments. Our medical consultants first identified the procedures they believed were clinically similar to those nonextensive procedures already assigned to DRG 477. We then analyzed the charge and length of stay data for these procedures to ensure that the discharges associated with the procedures are more similar to the discharges that currently group to DRG 477 than to the discharges that group to DRG 468.

Except for one series of procedures (that is, eye procedures), we are proposing to add to the list of nonextensive procedures only those procedures for which we had an adequate number of discharges to analyze for statistical homogeneity. However, we are proposing to add to DRG 477 all the OR procedures involving the eye (procedure codes 08.0 through 16.99) that currently group to DRG 468 when performed in association with an unrelated principal diagnosis. The charge and length of stay data we analyzed for discharges in DRG 468 include some of these eye procedures and the data show that those discharges are not as resource intensive as other discharges in DRG 468 and are, in fact, more similar to discharges in DRG 477.

In reviewing the DRGs to which these procedures group when they are related to the principal diagnosis (that is, DRGs 36 through 42), we find that all of these DRGs have relative weights and average lengths of stay that are well below those of DRG 477. The proposed relative weights for DRGs 36 through 42 range from .3613 to .7405 and the average length of stay ranges from 1.9 to 4.2 days compared to a relative weight of 1.4600 and average length of stay of 10.6 days for DRG 477. However, the proposed relative weight of DRG 468 is 3.3489 and the average length of stay is 19.2 days. Therefore, we believe that moving all of the eye OR procedures to the list of nonextensive OR procedures would result in the groupings of discharges that are more homogenous in terms of resource use.

In Table 6g in section IV of the addendum to this proposed rule, we have listed the additional procedure codes that we would consider nonextensive procedures if performed with an unrelated principal diagnosis. These cases would group to DRG 477 instead of DRG 468 beginning with discharges on or after October 1, 1990.

9. Changes to the ICD-9-CM Coding System

As discussed above in section II.B.1 of this preamble, ICD-9-CM is a coding system for the reporting of diagnostic information and procedures performed on a patient. In September 1985, the ICD-9-CM Coordination and Maintenance Committee was formed. This is a Federal interdepartmental committee charged with the mission of maintaining and updating the ICD-9-CM. This includes approving new coding changes, developing errata, addenda, and other modifications to the ICD-9-CM to reflect newly developed procedures and technologies and newly identified diseases. The Committee is also responsible for promoting the use of Federal and non-Federal educational programs and other communication techniques with a view toward standardizing coding applications and upgrading the quality of the classification system.

The Committee is co-chaired by the National Center for Health Statistics (NCHS) and HCFA. The NCHS has lead responsibility for the ICD-9-CM diagnoses codes included in Volumes 1 and 2—Diseases: Tabular List and Diseases: Alphabetic Index, while HCFA has lead responsibility for the ICD-9-CM procedure codes included in Volume 3—Procedures: Tabular List and Alphabetic Index.

The Committee encourages participation in the above process by major health-related organizations. In this regard, the Committee holds public meetings for discussion of educational issues and proposed coding changes. These meetings provide an opportunity for input into coding matters from representatives of recognized organizations in the coding fields, such as the American Medical Record Association, the American Hospital Association, and the Commission on Professional and Hospital Activities, as well as physicians, medical record administrators, and other members of the public. Considering the opinions expressed at the public meetings, the

Committee formulates recommendations, which then must be approved by the agencies.

The Committee presented proposals for coding changes at public meetings held on April 14, 1989, August 10, 1989, and December 4, 1989 and finalized the coding changes after consideration of comments received at the meetings and in writing in the 30 days following the December 4, 1989 meeting. The initial meeting for consideration of coding issues for resolution in FY 1991 was held on April 23, 1990. Copies of the minutes of these meetings may be obtained by writing to the co-chairpersons representing NCHS and HCFA. We encourage commenters to address suggestions on coding issues involving diagnosis codes to:

Ms. Sue Meads, R.R.A., Co-Chairperson, ICD-9-CM Coordination and Maintenance Committee, NCHS, Rm 2-19, Center Building, 3700 East-West Highway, Hyattsville, Maryland 20782

Questions and comments concerning the procedure codes should be addressed to:

Ms. Patricia E. Brooks, Co-Chairperson, ICD-9-CM Coordination and Maintenance Committee, HCFA, Office of Coverage Policy, Rm 1-J-2, East Low Rise Building, 6325 Security Boulevard, Baltimore, Maryland 21207

The additional new ICD-9-CM codes that have been approved will become effective October 1, 1990. The new ICD-9-CM codes are listed, along with their proposed DRG classifications, in Tables 6a and 6b in section IV of the addendum to this proposed rule. As we stated above, the code numbers and their titles were presented for public comment in the ICD-9-CM Coordination and Maintenance Committee meetings. Both oral and written comments were considered before the codes were approved. Therefore, we are soliciting comments on the proposed DRG classification only.

Further, the Committee has recommended the expansion of the ICD-9-CM diagnosis codes shown on Table 6c to categories requiring a fifth digit for valid diagnosis code assignment. Thus, these diagnosis codes would not be recognized by GROUPER beginning with discharges occurring on or after October 1, 1990. The corresponding five digit codes are shown in Table 6a. Finally, the Committee has recommended the expansion of the ICD-9-CM procedure code category 58.3 (Exclusion or destruction of urethral tissue or lesion). The Committee has recommended that the title of category 58.3 be revised to read "Excision or destruction of lesion or tissue of urethra", and that the inclusion and exclusion notes be amended to reflect the new procedure codes 58.31 (Endoscopic excision or destruction of lesion or tissue of urethra) and 58.39 (Other local excision or destruction of lesion or tissue of urethra). The proposed titles and DRG assignment of these procedure codes are included in Table 6b of section IV of the addendum to this proposed rule.

C. Recalibration of DRG Weights

One of the basic issues in recalibration is the choice of a data base that allows us to construct relative DRG weights that most accurately reflect current relative resource use. Since FY 1986, the DRG weights have been based on charge data. The latest recalibration, which was published as a part of the FY 1990 prospective payment final rule, used hospital charge information from the FY 1988 MEDPAR file. For a discussion of the options we considered and the reasons we chose to use charge data beginning in FY 1986, we refer the reader to the rules published on June 10, 1985 (50 FR 24372) and September 3, 1985 (50 FR 35652).

We are proposing to use the same basic methodology for the FY 1991 recalibration as we did for FY 1990. That is, we would recalibrate the weights based on charge data for Medicare discharges. However, we would use the most current charge information available, the FY 1989 MEDPAR file, rather than the FY 1988 MEDPAR file. The MEDPAR file is based on fully-coded diagnostic and surgical procedure data for all Medicare inpatient hospital bills.

The proposed recalibrated DRG relative weights are constructed from FY 1989 MEDPAR data, received by HCFA through December 1989, from all hospitals subject to the prospective payment system and short-term acute care hospitals in waiver States. The FY 1989 MEDPAR file includes data for approximately 9.6 million Medicare discharges.

The methodology used to calculate the proposed DRG weights from the FY 1989 MEDPAR file is as follows:

- All the claims were regrouped using the revised DRG classifications discussed above in section II.B of this preamble.
- Charges were standardized to remove the effects of differences in area wage levels, indirect medical education costs, disproportionate share payments, and, for hospitals in Alaska and Hawaii, the applicable cost-of-living adjustment.[3]
- The average standardized charge per DRG was calculated by summing the standardized charges for all cases in the DRG and dividing that amount by the number of cases classified in the DRG.
- We then eliminated statistical outliers using the same criterion as was used in computing the current weights. That is, all cases outside of 3.0 standard deviations from the mean of the log distribution of charges per case for each DRG were eliminated.
- The average charge for each DRG was then recomputed excluding the statistical outliers and divided by the national average standardized charge per case to determine the weighting factor.
- We established the weighting factor for heart transplants (DRG 103) in a manner consistent with the methodology for all other DRGs except that the heart transplant cases that were used to establish the weight were limited to those Medicare-approved heart transplant centers that have cases in the FY 1989 MEDPAR file.
- Kidney acquisition costs continue to be paid on a reasonable cost basis but, unlike other excluded costs, kidney acquisition costs are concentrated in a single DRG (DRG 302, Kidney Transplant). For this reason, it was necessary to make an adjustment to prevent the relative weight for DRG 302 from including the effect of kidney acquisition costs, since these costs are paid separately from the prospective payment rate. Kidney acquisition charges were subtracted from the total charges for each case involving a kidney transplant prior to computing the average charge for the DRG and prior to eliminating statistical outliers.
- Heart acquisition costs, like kidney acquisition costs, continue to be paid on a reasonable cost basis and are similarly concentrated in a single DRG (DRG 103, Heart Transplant). In previous years, actual heart acquisition charges were not reported for an adequate number of cases to use in developing the DRG weights. Therefore, as we described in the September 1, 1987 final rule (52 FR 33037), we used an estimate of heart acquisition charges, which was based on the mode charge for kidney acquisition costs.

[3] In recalibration, charges are standardized to remove the effects of actual disproportionate share payments, including the additional payments resulting from the amendments made by section 6003(c) of Public Law 101-239. This standardization affects only the relative weights and has no direct impact on program payments. In contrast, we used the general exceptions and adjustments authority under section 1886(d)(5)(I) of the Act to implement section 6003(c) of Public Law 101-239 effective April 1, 1990 (55 FR 15177) without restandardizing the base year prospective payment system amounts for the additional disproportionate share payments.

There are 19 cases in the FY 1989 MEDPAR file with actual heart acquisition charges shown on the bill. We believe that this is a sufficient number of cases upon which to make an estimate of all heart acquisition charges; therefore, we have estimated heart acquisition charges at $11,689 (the mean acquisition charge of the 19 cases). Accordingly, for the heart transplant cases in the updated MEDPAR file used for recalibration, we subtracted from the total charges of each case the actual acquisition charges if shown, or an estimate of heart acquisition charges based on the mean acquisition charge of the 19 cases if no charges were included on the bill, prior to computing the average charge for the DRG and prior to eliminating statistical outliers. This is comparable to the adjustment we make for removing kidney acquisition charges from cases in DRG 302.

• Liver acquisition costs, like both heart and kidney acquisition costs, are paid on a reasonable cost basis and are also concentrated in a single DRG (DRG 480, Liver Transplant). Accordingly, for the liver transplant cases in the updated MEDPAR file used for recalibration, we subtracted from the total charges of each case the actual liver acquisition charges if shown on the bill or an estimate of liver acquisition charges if no acquisition charges were included on the bill, prior to computing the average charge for the DRG and prior to eliminating statistical outliers. This is comparable to the adjustment we make for DRGs 302 and 103.

There were only six cases in the FY 1989 MEDPAR file with liver acquisition charges shown on the bill. Given this limited amount of charge data, it was necessary to estimate the liver acquisition charges based on cases other than those in the FY 1989 MEDPAR file. Based on the mean acquisition charges of a sample of cases of adult liver transplants that met the Medicare coverage criteria, we have estimated liver acquisition charges at $20,037. This figure is comparable to the median acquisition charge for the limited data in the FY 1989 MEDPAR file ($20,271). Therefore, we have used $20,037 as the estimate of liver acquisition charges.

The weights developed according to the methodology described above, using the proposed DRG classification changes, result in an average case weight that is different from the average case weight before recalibration. Therefore, the new weights were normalized by an adjustment factor so that the average case weight after recalibration is equal to the average case weight prior to recalibration. This adjustment is intended to ensure that recalibration by itself neither increases nor decreases total payments under the prospective payment system.

In developing the FY 1990 weights, we made an across-the-board 1.22 percent reduction to the weights after normalization to take into account increases in the average case weight attributable to reclassification and recalibration changes between FY 1986 and FY 1988 (54 FR 36469). Section 6003(b) of Public Law 101–239 enacted section 1886(d)(4)(C)(ii) of the Act to ratify the 1.22 percent reduction to the DRG weights but required in section 1886(d)(4)(C)(iii) of the Act that reclassification and recalibration changes in subsequent years (beginning with FY 1991) be made in a manner that assures that the aggregate payments are not greater or less than the aggregate payments that would have been made without the changes. Section 6003(b) also enacted section 1886(d)(4)(C)(iv) of the Act to require that the Secretary include recommendations regarding any adjustments to the weights in his annual report to the Congress required under section 1886(e)(3)(B) of the Act on his initial estimate of his recommendation for the prospective payment update factor for the coming year.

We interpret section 1886(d)(4)(C)(iii) of the Act to mean that no adjustment should be made to the DRG weights after normalization to take into account any impact previous reclassification and recalibration changes may have had on aggregate program payments. Accordingly, we have made no adjustment to the DRG weights for the effect the reclassification and recalibration changes we made in FY 1989 (the latest year for which actual data are available) had on aggregate payments.

In his March 1, 1989 report to Congress, the Secretary indicated he did not anticipate making a recommendation to adjust the DRG weights for the effect of the FY 1989 reclassification and recalibration changes. Instead, the effect of the FY 1989 changes is taken into account in his proposed recommendation for the FY 1991 update to the prospective payment system rates (see Appendix C).

However, we also interpret section 1886(d)(4)(C)(iii) to require that we ensure the FY 1991 reclassification and recalibration changes do not affect aggregate payments. Although normalization is intended to achieve this effect, equating the average case weight after recalibration to the average case weight before recalibration does not necessarily achieve budget neutrality with respect to aggregate payments to hospitals. Therefore, as discussed in section II.A.4.b of the Addendum to this proposed rule, we are proposing to make a budget neutrality adjustment to assure the requirement of section 1886(d)(4)(C)(iii) of the Act is met.

When we recalibrated the DRG weights for previous years, we set a threshold of 10 cases as the minimum number of cases required to compute a reasonable weight. In the FY 1988 MEDPAR data used to establish the FY 1990 weights, there were 27 DRGs that contained fewer than 10 cases. We propose to use that same case threshold in recalibrating the DRG weights for FY 1991. In the FY 1990 recalibration, we computed the weight for the 27 low-volume DRGs by adjusting the original weights of these DRGs by the percent change in the weight of the average case in the remaining DRGs. We propose to use this same methodology for the FY 1991 recalibration. Using the FY 1989 MEDPAR data set, there are 37 DRGs that contain fewer than 10 cases.

III. Proposed Changes to the Hospital Wage Index

A. Background

Section 1886(d)(2)(C)(ii) of the Act required, as a part of the process of developing separate urban and rural standardized amounts for FY 1984, that we standardize the average cost per case of each hospital for differences in area wage levels. Section 1886(d)(2)(H) of the Act required that the standardized urban and rural amounts be adjusted for area variations in hospital wage levels as part of the methodology for determining prospective payments to hospitals for FY 1984. To fulfill both requirements, we constructed an index that reflects average hospital wages in each urban or rural area as a percentage of the national average hospital wage.

For purposes of determining the prospective payments to hospitals in FY 1984 and 1985, we constructed the wage index using calendar year 1981 hospital wage and employment data obtained from the Bureau of Labor Statistics' (BLS) ES 202 Employment, Wages and Contributions file for hospital workers. Beginning with discharges occurring on or after May 1, 1986, we have been using a hospital wage index based on HCFA surveys of hospital wage and salary data as well as data on paid hours in hospitals. The methodology used to compute the first HCFA wage index was set forth in detail in the September 3, 1985 final rule (50 FR 35661).

For discharges occurring on or after May 1, 1986 and before October 1, 1987, the wage index was based on wage data from calendar year 1982. For discharges occurring in FY 1988 and FY 1989, the wage index was based on an equal blend of calendar year 1982 and 1984 wage data. In determining prospective payments to hospitals in FY 1990, we used 1984 data.

Beginning in FY 1989, because of the enactment of section 4005(a) of the Omnibus Reconciliation Act of 1987 (Pub. L. 100-203), which added a new section 1886(d)(8)(B) to the Act, we have also made revisions to the wage index to take into account rural counties whose hospitals are deemed urban. These revisions are discussed in detail in section III.F of this preamble.

B. Updating Hospital Wage Survey

Section 1886(d)(3)(E) of the Act (as amended by section 6003(h)(6) of Pub. L. 101-239) requires that wage indexes that are applied to the labor-related portion of the national average standardized amounts of the prospective payment system be updated not later than October 1, 1990, updated again not later than October 1, 1993, and updated annually thereafter. This section further provides that the Secretary base the update on a survey of the wages and wage-related costs of hospitals in the United States that participate in the prospective payment system. The survey should measure, to the extent feasible, the earnings and paid hours of employment by occupational category and must exclude data with respect to the wages and wage-related costs incurred in furnishing skilled nursing facility services. In addition, section 1886(d)(3)(E) of the Act requires that any updates to the wage index be budget neutral with respect to aggregate payment. A discussion of the proposed budget neutrality adjustment is included in the addendum to this proposed rule at section II.A.4.a.

To accomplish the FY 1991 update, we developed two wage index survey forms. The first form (Form A) requested data similar to past surveys, with a few noted exceptions. In addition to the total wages and hours collected in past surveys, Form A also asked for data relative to the salary and hours associated with direct patient-care contracted labor, home office, and fringe benefits. Form A excluded salary and hours associated with the skilled nursing facilities and other related cost centers. The second form (Form B), in addition to the data requested on Form A, requested data relative to several occupational categories.

Before initiating the new hospital wage survey, the proposed forms (A and B) were submitted for prior consultation to various hospital industry representatives, including the major hospital associations, as well as to the fiscal intermediaries. We solicited comments on both forms, including the feasibility of obtaining accurate data. The comments we received suggested that most hospitals would be unable to accurately provide data by occupational categories at this time. As a result of the comments on these two forms, we modified Form A, now referred to as HCFA-2561.

The HCFA-2561 was used to collect data from all prospective payment hospitals for cost reporting periods ending in calendar year 1988 for the FY 1991 update to the wage index as required by section 1886(d)(3)(E) of the Act. However, before implementing the FY 1991 wage index or reaching decisions on the future collection of data by occupational categories and incorporating future wage survey forms into the hospital cost report, in the May 8, 1989 proposed rule (54 FR 19648), we solicited comments on the following issues:

1. Should the wage index include data on contracted labor? For purposes of the wage index survey, contracted labor has been defined as direct patient-care contract labor such as registry nurses. Should the definition be expanded to include contracted services indirectly related to patient-care, such as billing or housekeeping services?

2. What portion, if any, of home-office salaries and hours should be added to the wages and hours incurred solely by the hospital?

3. Which fringe benefits, if any, should be included in computing the wage index? How should they be valued?

4. Would hospitals be capable of providing and identifying verifiable salaries and hours by occupational categories? What occupational groupings would be appropriate? If occupational data were collected, what formula or methodology should be used in calculating an occupational-mix index? How would the methodology reflect the varying personnel and hiring decisions made by hospitals, that is, one hospital may hire registered nurses for patient-care whereas another hospital in the same geographic area may employ licensed practical nurses instead?

5. Should the HCFA-2561 be incorporated into the hospital cost report in order to obtain wage data on a regular basis? What level of hospital-specific wage data should be available to the public, including other hospitals? Can the occupational category data be retrieved by adding new schedules to the hospital cost report?

In order to give the public ample time to thoroughly evaluate the issues listed above, we accepted comments through September 30, 1989. The comments received on issues 1 through 4 are discussed below in the context of our proposal for revisions to the hospital wage index for FY 1991 in section III.C of this preamble. Issue 5 is discussed in section III.H of the preamble.

C. Revision to the Hospital Wage Index for FY 1991

We propose to base the FY 1991 wage index, effective for hospital discharges occurring on or after October 1, 1990 and before October 1, 1991, entirely upon the data collected in the 1988 wage survey which is described above in section III.B of this preamble. On the basis of consultation with the hospital industry prior to our 1988 wage survey, public comments on the future wage index update issues presented in the May 8, 1989 proposed rule, the results of our validation of data from the 1988 wage survey, and subsequent consultation with industry representatives, we propose to use all of the categories of data, with the exception of contract labor, collected for 1988. Therefore, the proposed FY 1991 hospital wage index reflects the following:

- Total hospital salaries and hours, excluding salaries and hours associated with skilled nursing facility or other nonhospital cost centers.
- Home office salaries and hours.
- Fringe benefits associated with hospital and home office salaries.

The exclusion of nonhospital costs and the inclusion of fringe benefits and home office costs represent changes from the FY 1990 hospital wage index.

Our proposal to exclude all nonhospital costs from the wage index derives from the statutory requirement in the amended section 1886(d)(3)(E) of the Act, which requires exclusion of skilled nursing facility costs. We believe that it is consistent to exclude salaries allocated to other nonhospital cost centers that are not directly related to the provision of hospital care and might distort the comparability of wage data.

Our proposal to add home office salaries and hours, and fringe benefits to the FY 1991 wage index arises from continual hospital industry requests, reinforced by the comments received in response to the May 8, 1989 proposed rule, that we expand the index to reflect all relevant hospital wage costs. An evaluation of the feasibility and validity

of including added hospital wage cost components, beyond direct hospital staff salaries, began with the initial testing and evaluation of the 1988 survey described in section III.B of this preamble, and continued through the administration of that survey, followed by an extensive survey editing and validation process conducted in close consultation with the fiscal intermediary staff familiar with each hospital's fiscal operations. Below is a discussion of each wage cost component we considered.

• Patient care-related contract services.

The wage survey requested labor-related payments and hours attributable to direct patient care-related contract services. We instructed hospitals to exclude nonpatient care services, such as management and housekeeping services, and nonlabor-related payments, such as payments for equipment and supplies. Any services for which labor-related payments or hours could not be accurately determined were to be excluded. A majority of the commenters on the proposed rule support the inclusion of contract services and many of those argue that this component should be expanded to include nonpatient care services as well. Those opposing the inclusion of contract services, and even some of those who support including contract services, indicate concern over the difficulty in accurately tracking and recording hours worked for all types of contract services. Others are also concerned that if the contract wages are associated with a labor market area different from that in which the hospital is located, the contract wages would artificially increase or decrease the hospital's area wage index.

Our analysis of the public comments and data from the 1988 survey leads us to propose excluding contract services from the current wage index. This decision stems from the industry's concern about hospitals' ability to accurately track and record contract labor hours and the following observations, based on our analysis of the data received in response to the survey:

—The national average hourly contract rate was more than three times the basic average hourly wage for all hospitals reporting contract services.
—Over 5 percent of the hospitals reporting contract services had an average hourly contract rate in excess of $55.00 per hour and 2 percent exceeded $100.00 per hour.
—A major source of high contract labor costs appears to be certified registered nurse anesthetists (CRNAs) and physicians. Intermediaries were inconsistent in their handling of CRNAs and Medicare Part B physician services; that is, some intermediaries included CRNAs and Part B physician services while others excluded them. We do not believe that direct patient care services furnished by physicians should be included because they are paid on a reasonable charge basis under Medicare Part B rather than as hospital service. Similarly, since CRNAs (except for those serving small rural hospitals) began billing Medicare directly effective January 1, 1990 under Part B, contract CRNA services are also not an appropriate factor in our calculation of the hospital wage index. Moreover, a number of hospitals clearly had difficulty reporting the actual number of hours worked by CRNAs (and appeared to report hours based on time units for anesthesia services instead).

• Finally, only 50 percent of hospitals reported contract services. At least 11 percent of those not reporting contract services indicated they would have reported the expenditure if they had been able (as instructed) to accurately determine the actual hours worked.

We believe the above inconsistencies in reporting on the 1988 survey would result in inequitable treatment of those hospitals that appropriately did not report contract CRNAs and Part B physician direct patient care services, as well as those that were unable to accurately determine hours for other direct patient care contract services. Therefore, we propose to exclude contract labor from the FY 1991 wage index and develop more detailed instructions and auditing criteria that may allow its inclusion in future wage index updates.

• Home office salaries and hours

The wage survey collected data on salaries and fringe benefits for home office personnel that provide services to the hospital. The home office compensation costs were to be allocated to the hospital based on a recognized cost allocation methodology. A majority of those commenting on the May 8, 1989 proposed rule support the inclusion of home office salaries and hours in the hospital wage index, and most of those believe that all home office salaries should be included. Those opposing use of home office salaries are concerned about possible distortions due to home office wages coming from high or low cost wage areas other than that of the hospital.

Reporting of home office hours was very consistent on the 1988 survey. It also represented a small component of hospital hours and expenditures. As an overall average, this category represented 0.88 percent of total hours and approximately 1 percent of salaries for the hospitals reporting. In addition, hospitals seemed to have no trouble in providing wages and hours associated with home offices. Home office salaries tend to be for the top administrative staff (for example, chief executive officers, chief financial officers, and divisional vice presidents) so failure to include these salaries can significantly distort the hourly rate for small hospitals that rely upon the home office for these services.

Based on our analysis of the survey results and the public comments, we propose incorporating home office salaries and hours in the FY 1991 wage index. We believe the danger of distortion caused by home offices in divergent wage areas is outweighed by the need to provide equitable treatment to hospitals using home offices to increase their organizational efficiency.

• Fringe benefits

The wage survey collected data on employee compensation other than salary such as FICA taxes, pension costs, health and life insurance, perquisites, unemployment taxes, workers' compensation, and deferred compensation. Other compensation such as bonuses, and sick and vacation leave were excluded from fringe benefits since these costs are already included in hospital salaries. All of those commenting on the question concerning fringe benefits in the May 8, 1989 proposed rule were in favor of adding this component to the wage index. They cited fringe benefits as an important and expanding component of hospital compensation packages as competition for staff increases. Based on our analysis of the comments and validation of the 1988 survey data, which revealed very consistent reporting of these costs, we propose to include fringe benefits in the FY 1991 wage index.

• Occupational mix data

Section 1886(d)(3)(E) of the Act (as amended by section 4004(a) of Pub. L. 100-203) also requires that beginning with the FY 1991 wage index, the index should reflect, to the extent feasible, the earnings and paid hours of employment by occupational category. However, during the prior consultation phase of our evaluation of proposed forms for the 1988 wage survey, various hospital industry representatives, including the major hospital associations and the

Medicare fiscal intermediaries, strongly oppose collecting these data. They were nearly universal in asserting that hospital records and books are not set-up to identify and classify employees into categories for which consistent definitions have often not been established. As a result, the version of the 1988 survey designed to collect this data was not used.

The public comments in response to the May 8, 1989 proposed rule are consistent with the previously noted industry position. All but two commenters oppose collection of occupational-specific data at this time, arguing that it would represent a significant, new reporting burden, that would be of questionable value for measuring real differences in labor costs among wage areas. Many commenters indicate doubt as to whether this approach would ever be of value, and nearly all recommend, as a minimum, a thorough evaluation of the issue before implementing such a data collection effort.

In view of these comments, we did not request occupational specific data in the 1988 wage survey; therefore, the FY 1991 wage index will not take occupational mix into account.

In its March 1, 1990 report, ProPAC recommended that we begin immediately to collect data on employee compensation and paid hours of employment for hospital workers in each occupational category and that, after collecting these data, we should carefully evaluate the effect of adjusting the area wage index for differences in the occupational mix of employment (Recommendation 8). However, we believe any decision on obtaining wage data by occupational category for use in future wage indexes must be preceded by a formal evaluation of the value, feasibility, and impact of the collection and use of occupation-specific wage data for indexing hospital wage costs.

We do not believe that it is appropriate at this time to place the additional reporting burden on the hospital industry associated with such a data collection effort when it is not clear whether an occupationally-adjusted wage index would in fact more accurately distribute payments to hospitals.

ProPAC believes that the wage index, as currently constructed, overcompensates certain large urban hospitals due to the fact that the case-mix index already reflects the higher intensity of labor costs these hospitals incur, and, therefore, the cost of labor is essentially double-counted in paying these hospitals through both a higher case mix index and wage index relative to other hospitals. As a result, the system overcompensates for the more complex and higher-weighted DRGs that require the services of more highly trained professionals and that are more often treated in large urban and teaching hospitals. Conversely, ProPAC believes that hospitals with a lower occupational mix, which are often located in rural areas, are disadvantaged by the payment system. However, we believe that ProPAC may be overstating the extent of this problem since the standardization process used to recalibrate the DRG relative weights removes the effects of area wage differences from the case mix measure.

Therefore, until we can determine whether the benefits associated with the use of a wage index adjusted for occupational mix outweigh the additional administrative burden that developing such an index would entail, we do not plan to collect wage data by occupational category. However, we believe that continued research on the wage index is pertinent and that future refinements should be considered if it is clear that the result would be a more accurate measure of relative labor costs. We will use the wage index that ProPAC has adjusted for occupational mix as the starting point for our evaluation of this issue.

D. Updating the Wage Index Data

As noted in section III.C above, we are proposing that the FY 1991 wage index be based on data from the 1988 wage survey. The wage index would be comprised of data from 5,518 hospitals paid under the prospective payment system and short-term acute care hospitals in waiver States. The method used to compute the proposed wage index is as follows:

Step 1—Each of the non-Federal acute care hospitals subject to the prospective payment system for which survey data for the hospital's fiscal year ending in calendar year 1988 have been received was classified into its appropriate urban or rural area based on the urban area definitions to be used in the prospective payment system in FY 1991. See discussion in III.G, below, for the classification of certain rural hospitals that are deemed urban.

Step 2—For each hospital, the excluded salaries (that is, salaries attributable to skilled nursing facility and other nonhospital components) were subtracted from gross hospital salaries to yield net hospital salaries. These net hospital salaries were then increased by the addition of hospital fringe benefits and any home office salaries and fringe benefits reported by the hospital to yield total salaries plus fringe benefits.

Step 3—For each hospital, the total salaries plus fringe benefits resulting from Step 2, were inflated or deflated, as appropriate, to a common period to determine total adjusted salaries. This adjustment used the percentage change in average hourly earnings for each 30-day increment from February 14, 1987 through January 15, 1989, for hospital industry workers from S.I.C. 806, Bureau of Labor Statistics Employment and Earnings Bulletin.

Step 4—For each hospital, the excluded hours reported were subtracted from the gross hospital hours to yield net hospital hours. These net hours were then increased by the addition of any reported home office hours to yield total hours.

Step 5—As part of our editing process, we eliminated records for 14 hospitals that contained aberrant data. However, we will continue to edit the survey data and expect to resolve the problems with the records for many of these hospitals before the final wage index is published.

Step 6—Within each urban or rural wage index area, the total adjusted salaries plus fringe benefits obtained in Step 3 was summed for all hospitals in that area to yield the total adjusted salaries plus fringe benefits for the entire wage index area.

Step 7—The total adjusted salaries plus fringe benefits obtained in Step 6 was then divided by the sum of the total hours (from Step 4) for all hospitals in each wage index area to yield an average hourly wage for the area.

Step 8—The total adjusted salaries plus fringe benefits obtained in Step 3 was summed for all hospitals in the Nation and then divided by the national sum of total hours from Step 4 to arrive at a national average hourly wage. For FY 1991, the national average hourly wage is $13.9110.

Step 9—For each urban or rural wage index area, the hospital wage index value was calculated by dividing the area average hourly wage obtained in Step 7 by the national average hourly wage computed in Step 8.

E. Proposed Phase-In of New Hospital Wage Index

Currently, the hospital wage index is based solely on 1984 survey data. We are proposing to base the FY 1991 wage index solely on 1988 survey data. We believe the intent of section 1886(d)(3)(E) of the Act (as amended by section 4004(a) of Pub. L. 100–203) is that the FY 1991 wage index reflect more recent (that is, the 1988) survey data. Furthermore, we believe that with the

inclusion of fringe benefits and home office compensation costs and the exclusion of nonhospital costs, the proposed FY 1991 wage index is a more comprehensive and appropriate measurement of relative labor costs among wage areas. Finally, based on the use of more detailed instructions and more rigorous scrutiny of hospital surveys by the fiscal intermediaries, and the results of our editing and validation process, we have concluded that the data from the 1988 wage survey are more accurate than the data collected in previous years.

However, since wide swings were noted for some wage areas between the current and the new area wage index values, we are proposing to implement a 1-year phase-in of the updated wage index for FY 1991 by limiting the percentage change in the proposed wage index compared to the current wage index. We believe such a phase-in is appropriate in order to mitigate the impact of the revised wage index for those areas experiencing the most significant changes in their wage index values. Therefore, we are proposing that if the change from the current wage index to the new wage index would result in an increase or decrease of more than 10 percent in the wage index value, the FY 1991 wage index value would be set at a level that would limit the percentage change to 10.0 percent plus 50 percent of the remaining difference between the actual impact of the new wage index and 10.0 percent. For example, if the current index value for an area is .9000 and the proposed index value is .7650, the new wage index would decrease the area wage index by .1350 or 15 percent. We would propose to limit the decrease to 12.5 percent (.10+(.5 ×.05)) or .1125 percentage points. Therefore, in this situation, the area's wage index would be .7875 for FY 1991 and .7650 for FY 1992. The phase-in adjusted index would be in effect for FY 1991 while the actual computed index would apply as of FY 1992. Due to the significant impact of the proposed area wage index on prospective payments to hospitals in some areas, we believe that such a phase-in is appropriate since it minimizes abrupt changes in payments during the first year of implementation of the new wage index.

We note that we will continue to review and edit the survey data with particular emphasis on the data reported for those areas that experienced a 5 percent or greater increase or decrease between the current wage index and the proposed wage index. We will identify hospitals in these areas and will be working with the fiscal intermediaries to ensure the accuracy of the data reported. Intermediaries will be auditing selected hospitals and where appropriate, adjustments will be made to the data prior to publication of the final wage index. The final wage index values will reflect any corrections that are made to the data.

The proposed wage index values for FY 1991 for each wage area are contained in Tables 4a through 4e. Table 4f lists the wage areas whose wage index changed by more than 10 percent from the current index to the new index and shows the actual computed wage index as well as the proposed adjusted wage index.

F. Revisions to the Wage Index for Rural Counties Whose Hospitals are Deemed Urban

Under section 1886(d)(8)(B) of the Act, for discharges occurring on or after October 1, 1988, hospitals in certain rural counties adjacent to one or more Metropolitan Statistical Areas (MSAs) are considered to be located in one of the adjacent MSAs if certain standards are met. Under this provision, as a part of the September 30, 1988 prospective payment system final rule, we classified the wage data for those rural areas as if the hospitals in those areas were located in the adjacent MSAs and recomputed the wage index values for the affected MSAs and rural areas.

Because inclusion of the wage data from rural hospitals that are considered to be located in an adjacent MSA under section 1886(d)(8)(B) of the Act resulted in the reduction of the wage index values of several MSAs and rural areas, Congress enacted section 8403(a) of the Technical and Miscellaneous Revenue Act of 1988 (Pub. L. 100–647). Under that provision, which added a new section 1886(d)(8)(C) to the Act, if the inclusion of wage data from rural hospitals now considered to be located in an urban area resulted in a reduction of the wage value for the affected MSA or rural area, then the wage index values for those affected areas were determined as if section 1886(d)(8)(B) of the Act had not been enacted. The wage index value for those rural counties with hospitals that were deemed urban were determined on a county-specific basis as if the county were a separate urban area. This provision was implemented as part of the September 1, 1989 prospective payment system final rule (54 FR 36476).

For some hospitals in counties redesignated as urban under the provisions of section 1886(d)(8)(B) of the Act, the application of county-specific wage index values for FY 1990 resulted in lower total prospective payments than what those hospitals had received in FY 1989 because those hospitals were now subject to a lower wage index value. For some redesignated hospitals, such as those that had a county-specific wage index value lower than the Statewide rural wage index, the decrease in payment was significant. In fact, the county-specific wage index value was sufficiently low in some cases that the hospitals redesignated as urban received lower payments than when they had been designated as rural.

In order to address the adverse impact on certain redesignated hospitals that resulted from the implementation of section 8403(a) of Public Law 100–647, Congress, in section 6003(h) of Public Law 101–239, revised the methodology for applying the wage index to hospitals affected by section 1886(d)(8)(B) of the Act.

Under section 6003(h)(3) of Public Law 101–239, section 1886(d)(8)(C) of the Act was revised with respect to discharges occurring on or after April 1, 1990. The provision revises the application of the wage index to redesignated hospitals based on the hypothetical impact the wage data from these hospitals would have on the wage index value of the MSA to which they have been redesignated.

- If including the wage data for the redesignated hospitals reduces the MSA wage index value by one percentage point or less, the MSA wage index value applies to the redesignated hospitals deemed to be a part of that MSA. The MSA wage index value is determined exclusive of the wage data for the designated hospitals.
- If including the wage data for the redesignated hospitals reduces the MSA wage index value by more than one percentage point, the wage index is applied separately to the MSA and to the hospitals deemed to be part of that MSA. In this case, the redesignated hospitals will continue to have their wage index determined on a county-specific basis, as if their county were a separate urban area. However, the wage index for such county will not be less than the Statewide rural wage index.
- Rural areas whose wage index values would be reduced by excluding the data for redesignated hospitals will continue to have their wage index calculated as if no redesignation had occurred. Those rural areas whose wage index values increased as a result of excluding the wage data for the excluded hospitals will continue to have their wage index calculated exclusive of the redesignated hospitals.

The counties subject to the wage index of the MSA to which their hospitals were redesignated (that is,

their impact on the MSA wage index would be one percentage point or less) are set forth in Table 4c of the addendum to this document. The counties subject to a separate area wage index (that is, their impact on the MSA wage index value would be greater than one percentage point) are set forth in Table 4d. The counties subject to the Statewide rural wage index are set forth in Table 4e of the addendum to this document. A few counties are not included in the tables even though they meet the criteria to permit hospitals to be redesignated because there are no prospective payment hospitals in those counties.

G. Application of Mid-year Corrections to Wage Index Values (§ 412.63(k))

On occasion, wage data errors have been identified in the middle of the Federal fiscal year. Rather than delaying full implementation of the corrected data until the beginning of the next Federal fiscal year, our practice has been to make mid-year corrections to the wage index value for the area where the error in the reported data occurred so that the hospitals in the affected areas are not unfairly disadvantaged. However, it has been our longstanding policy to make changes to the wage index on a prospective basis only. This policy was specifically discussed in the final rule implementing the prospective payment system, which was published in the Federal Register on January 3, 1984 (53 FR 258) and in the September 30, 1984 final rule prospective payment system (53 FR 38496). The only exception we have ever made to this policy was mandated by section 6003(h)(5) of Public Law 101-239, which provided, in certain circumstances, for the retroactive application of wage index corrections. The law specifically states that this provision is to apply only under very limited circumstances and that these retroactive payments would be made only with respect to discharges occurring before October 1, 1990. Given the narrow language of this provision, we believe Congress clearly did not intend that such retroactive adjustments to the wage index should be provided in the future. We intend to continue our policy of making mid-year corrections to the wage data, where appropriate. Where wage data errors are identified and the fiscal intermediary determines that corrections are appropriate, the wage index value would be recalculated for the affected area only. All revisions to the wage index would be made on a prospective basis effective with discharges occurring after the date the change is made. We believe it is appropriate to make such mid-year corrections to the wage index value for the affected areas so that the hospitals in those areas would not be unfairly disadvantaged. However, the corresponding prospective adjustment to the wage index values for all other wage areas (which reflects the corrected data in the national average hourly wage) will not be made until the beginning of the next fiscal year. Section 1886(d)(3)(E)(as amended by Public Law 101-239) requires that any adjustments to the wage index be made in a budget neutral manner. The wage index budget neutrality adjustment (discussed in section II.A.4.a. of the Addendum to this proposed rule) would be adjusted at the beginning of the next Federal fiscal year to account for the change in aggregate payments resulting from the mid-year wage index corrections. We would revise § 412.63(k) to specify our policy of making mid-year corrections to the wage index and applying these corrections on a prospective basis only.

H. Future Updates to the Hospital Wage Index

Section 1886(d)(3)(E) of the Act, as amended by Public Law 101-239, requires the Secretary to update the wage index again in FY 1993 and at least annually thereafter. We propose to continue collecting data on all categories of wage costs included in the FY 1991 wage index in these future surveys and to continue collecting data on contract labor as well. As noted above under section III.C, we believe more detailed instructions will eliminate the inconsistencies encountered during the 1988 survey. Also, as also noted in section III.C, we intend to further evaluate the issue of collecting occupation-specific data, and will consider including this factor in future wage indexes.

In response to the majority of public comments that supported including the wage survey in the hospital cost report, we also propose to incorporate the wage survey form in the Medicare cost report (HCFA-2552) effective with cost reporting periods beginning on or after October 1, 1989. The wage data will be disclosed as a part of the cost report under 42 CFR 401.135(c). Public disclosure was opposed by the majority of commentors who were concerned about occupational specific data. However, HCFA does not propose to include occupational data at the present time.

IV. Rebasing and Revising of the Hospital Market Basket

A. Background

Effective for cost reporting periods beginning on or after July 1, 1979, we developed and adopted a hospital input price index (that is, the hospital "market basket") operating costs. Although "market basket" technically describes the mix of goods and services used to produce hospital care, this term is also commonly used to denote the input price index derived from that market basket. Accordingly, the term "market basket" used in this document refers to the hospital input price index.

The percentage change in the market basket reflects the average change in the price of goods and services purchased by hospitals to furnish inpatient care. We first used the market basket to adjust hospital cost limits by an amount that reflected the average increase in the prices of the goods and services used to furnish inpatient care. This approach linked the increase in the cost limits to the efficient utilization of resources.

With the inception of the prospective payment system on October 1, 1983, we continued to use the hospital market basket to update each hospital's 1981 inpatient operating cost per discharge used in establishing the FY 1984 standardized payment amounts. In addition, the projected change in the hospital market basket has been the integral component of the update factor by which the prospective payment rates are updated every year. Under current law, the prospective payment rates will be updated in FY 1991 for the projected increase in the hospital market basket. An explanation of the hospital market basket used to develop the prospective payment rates was published in the Federal Register on September 3, 1986 (51 FR 31461). For additional background information on general development of hospital input price indexes, we refer the reader to the article by Freeland, Anderson, and Schendler, "National Hospital Input Price Index," *Health Care Financing Review*, Summer 1979, pp. 37-61.

The hospital market basket is a fixed-weight price index constructed in two steps. First, a base period is selected and the proportion of total expenditures accounted for by designated spending categories is calculated. These proportions are called cost or expenditure weights. In the second step, a rate of price increase for each spending category is multiplied by the expenditure weight for the category. The sum of these products for all cost

categories yields the percentage change in the market basket, an estimate of price change for a fixed quantity of purchased goods and services.

The market basket is described as a fixed-weight index because it answers the question of how much more or less it would cost, at a later time, to purchase the same mix of goods and services that was purchased in the base period. The effects on total expenditures resulting from changes in the quantity or mix of goods and services purchased subsequent to the base period are not considered. For example, shifts in the furnishing of a certain type of inpatient care to an outpatient setting might affect the volume of inpatient goods and services purchased by the hospital but would not be factored into the percentage change in the hospital market basket.

We believe that it is desirable to rebase the market basket periodically so the cost weights reflect changes in the mix of goods and services that hospitals purchase (hospital inputs) in furnishing inpatient care. We last rebased the hospital market basket cost weights effective for FY 1987. The market basket that is currently in effect reflects base year data from 1982 in the construction of the cost weights.

In its April 1, 1985 report to the Secretary, which is Appendix C of the June 10, 1985 proposed rule (50 FR 24446), ProPAC suggested that the market basket cost weights should be recalculated or "rebased" at least every 5 years or more frequently if significant changes in the weights occur. Most of the data used to rebase the market basket are from 1987.

B. Rebasing and Revising the Hospital Market Basket

We are proposing to use a revised hospital market basket in developing the FY 1991 update factor for the prospective payment rates. The new market basket would be revised as follows:

• We would rebase to reflect 1987, rather than 1982, cost data.

• We would modify certain variables used as the price proxies for some of the cost categories.

In developing the revised market basket, we reviewed hospital expenditure data for the market basket cost categories. Preliminary data on hospital expenditures for six major expense categories (wages and salaries, employee benefits, professional fees, depreciation, interest, and a residual "all other" category) were collected using 1987 data on Medicare participating hospitals from the American Hospital Association's (AHA) 1988 Annual Survey (referred to hereafter as the 1987 AHA annual survey). The AHA data include capital-related expenditures. Also, only prospective payment hospitals were included in these calculations. No special adjustments were made for hospitals with AHA-imputed values. We then determined, for each category, the proportion the category represents of total cost (excluding capital-related costs). These proportions represent the skeletal revised market basket weights. This approach is consistent with the way those values were calculated using 1982 data. Utilities and contract nursing weights were unavailable from the 1987 AHA Annual Survey. Instead, these weights were estimated from trends in earlier years of AHA Annual Survey data and from trends in other data sources, such as the AHA Hospital Administrative Services (HAS) survey. The HAS survey data were used to provide weights for professional liability insurance expenses, food and pharmaceutical products. The HAS survey reports medians rather than means.

Weights for the remaining subcategories within the "all other" category for contract nursing, and for subcategories within utilities were derived from the U.S. Department of Commerce, Bureau of Economic Analysis data on the hospital industry. This data base, which is updated at 5-year intervals, was most recently described in the report, "The Detailed Input-Output Structure of the U.S. Economy, 1977." It contains a detailed source of information on hospital input expenditures. The updated data for 1982 was expected to be available in late fall 1989 and incorporated into this proposed rule. Unanticipated delays by the Department of Commerce in completing the analyses for assembling this data base precluded its use in this proposed rule. We plan to incorporate the updated data when it becomes available.

Since the Department of Commerce data become available much later than other key data sources, cost shares derived from the Department of Commerce data are aged to 1987 using historical price changes for each category. The aged shares were normalized to be consistent with the 1987 data from the AHA Annual Survey and the HAS survey. Relative importance factors for the revised base-year were then calculated for various expenditure categories. This work resulted in the identification of 28 separate cost categories in the rebased hospital market basket. Detailed descriptions of each category and respective price proxy are provided in Appendix B of this proposed rule. The difference between these categories and the ones used for the current 1982 based categories are summarized in Table 1 below.

TABLE 1.—COMPARISON OF 1982 AND 1987 COST CATEGORIES AND WEIGHTS

Expense categories	Rebased 1987 hospital market basket weights [1]	1982 hospital market basket weights [1]
1. Wages and Salaries [2] [3]	52.2	55.8
2. Employee Benefits [2] [3]	9.5	9.8
3. Other Professional Fees	1.6	0.8
4. Energy and Utilities	2.4	3.2
A. Fuel, Oil, Coal and Other Fuel	0.6	1.2
B. Electricity	1.1	1.1
C. Natural Gas	0.3	0.5
D. Motor Gasoline	0.2	0.4
E. Water and Sewerage	[4]	[4]
5. Professional Liability Insurance	1.4	0.7
6. All Other	32.7	29.8
A. All Other Products	21.7	21.1
(1) Pharmaceuticals	3.9	4.1
(2) Food	3.3	3.6
(a) Direct Purchase	2.1	2.3
(b) Contract Service	1.2	1.3
(3) Chemicals	3.1	3.1
(4) Medical Instruments	2.7	2.4
(5) Photo Supplies	2.6	2.3
(6) Rubber and Plastics	2.3	2.2
(7) Paper Products	1.4	1.2
(8) Apparel	1.1	1.1
(9) Mach. and Equip	0.5	0.4
(10) Miscellaneous Products	0.8	0.8
B. All Other Services		
(1) Business Services	3.8	3.0
(2) Computer Services	2.0	1.4
(3) Transportation and Shipping	1.2	1.1
(4) Telephone	1.0	0.8
(5) Blood Services	0.6	0.5
(6) Postage	0.4	0.3
(7) All Other Services Labor Intensive	1.2	1.0
(8) All Other Services Non-Labor Intensive	0.8	0.7
Subtotal	11.0	8.7

[1] The 1982 regulation hospital market basket has a composite set of weights for prospective payment hospitals and hospitals excluded in the prospective payment system. The 1987 prospective payment system market basket has weights for prospective payment hospitals only. A separate market basket is proposed for hospitals excluded in the prospective payment system.

[2] In 1987 expenses for contract nursing, a non-compensation expense in the AHA annual survey, were allocated to wages and salaries and to employee benefits. In 1982 expenses for contract nursing were included in "Other Professional Fees" in the market basket.

[3] In both market baskets, wages and salaries are composed of nine subcategories that correspond with employment cost index categories (see Table below) for the nine occupational groups. In addition, in 1987 employee benefits were grouped into occupational categories.

[4] Rounds to less than 0.1. This established category may be eliminated and the cost reallocated if revised data that confirm that low weight are available for the final notice.

As shown in Table 1, the weights for a number of cost categories have declined from their 1982 level; namely, those

weights for wages and salaries, employee benefits, fuel oil and coal, natural gas, motor gasoline, pharmaceutical products, and food. Weights for all of the other categories increased.

The hospital market basket weights published on September 3, 1986 (51 FR 31462) incorporate 1982 base-year cost-weights that were combined with differences in the rate of price proxy movements through 1986 to reflect their "relative importance" as a result of price changes in each variable.

In the September 3, 1986 final rule (at 51 FR 31463), for purposes of determining the labor-related portion of the standardized amounts, we summed the percentages of the labor-related items (that is, wages and salaries, employee benefits, professional fees, business services, computer and data processing, blood services, postage, and all other labor-intensive services) in the hospital market basket. This summation resulted in a labor-related portion of the hospital market basket of 74.39 percent and nonlabor-related portion of 25.61 percent.

Sections 1886 (d)(2)(H) and (d)(3)(E) of the Act require that, in making payments under the prospective payment system, the Secretary adjust the proportion (as estimated by the Secretary from time to time) of payments that are wage-related. Since October 1, 1986, we have considered 74.39 percent of costs to be labor-related for purposes of the prospective payment system.

In connection with the rebasing of the hospital market basket, we have, under the authority of the applicable section of the statute cited above, re-estimated the labor-related share of the standardized amounts. Based on the relative weights described in Table 2 of section IV of the addendum to this proposed rule, the labor-related portion that is subject to hospital wage index adjustments (based on wages and salaries, employee benefits, professional fees, business services, computer and data processing, blood services, postage, and all other labor-intensive services) is 71.41 percent and the nonlabor-related portion is 28.59 percent. To implement this change, effective with discharges occurring on or after October 1, 1990, we recomputed the labor-related and nonlabor-related shares of each hospital's base year cost used to establish the prospective payment rates.

The amounts in Table 1 of section IV of the addendum to this proposal rule have been recomputed to reflect the revised labor-related and nonlabor-related portions. It should be noted that, because of the revision of the labor and nonlabor portions, the labor portions of the rates published in Table 1 of the addendum to this proposed rule have decreased from those currently in effect while the nonlabor portions have increased.

C. Selection of Price Proxies

After the 1982 cost weights for the rebased hospital market basket were computed, it was necessary to select appropriate wage and price proxies to monitor the rate of increase for each expenditure category. Most of the indicators are based on Bureau of Labor Statistics (BLS) data and are grouped into one of the following four BLS categories:

• Producer Price Indexes—Producer Price Indexes (PPIs) are used to measure price changes for goods sold in other than retail markets. For example, the PPI for ethical drugs, rather than the Consumer Price Index (CPI) for prescription drugs, was used. They are preferable proxies for goods that hospitals purchase as inputs as part of the process in producing their outputs. These indexes, which are fixed-weight, measure price change at the producer or intermediate stage of production.

• Consumer Price Indexes—Consumer Price Indexes (CPIs) measure change in the prices of final goods and services bought by the typical consumer. Similar to the PPIs, they are fixed-weight. Because they do not represent the price faced by the producer, the consumer price indexes were used if no appropriate PPI was available, or if the expenditure was more similar to that of retail consumers in general rather than a purchase at the wholesale level. For example, the CPI for food purchase away from home was used to proxy contracted food services.

• Employment Cost Indexes—Employment Cost Indexes (ECIs) measure the rate of change in employee wage rates and employer costs for employee benefits per hour worked. These indexes are fixed-weight indexes and strictly measure the change in wage rates and employee benefits per hour. They are not affected by shifts in employment mix.

• Average Hourly Earnings Series—Average Hourly Earnings (AHEs) are used to weight the hourly earnings for various occupations within a given industry and, therefore, reflect a weighted employment mix for a particular industry. The AHE series is calculated by dividing gross payrolls by total hours and measures actual earnings rather than pure wage rates. It is a current-weight series rather than a fixed-weight index and thus reflects shifts in employment mix.

Our proposed price proxies for the rebased prospective payment hospital market basket are summarized in Appendix B. However, because we are proposing to revise price proxies substantially for compensation (wages and salaries plus employee benefits), we are providing a separate discussion of the new price proxies for the compensation portion of the rebased market basket. For purposes of this discussion we refer to the revised structure (weights and price proxies) of the compensation component as the "HCFA Blended Compensation Index."

D. The HCFA Blended Compensation Index

Compensation includes the two largest categories of the rebased hospital market basket. Wages and salaries account for 52.2 percent and employee benefits account for 9.5 percent of the total weight. Currently, the input price increases for the wages and salaries component are a blend of average hourly earnings for the private (includes workers from all categories of hospitals except State, local, and Federal Government) hospital industry (Standard Industrial Classification Code 806) and economy-wide employment cost indexes (ECI) for nine occupational groups. Fifty percent of the weight for professional and technical workers has the average hourly earnings for hospital employees price proxy. The remaining fifty percent of the weight for professional and technical workers has the price proxy of ECI for Professional and Technical workers in the private sector of the economy. The remaining eight occupational groups have ECIs for the private sector for the respective categories.

In its March 1 report, ProPAC recommended that the wage and benefit component of the market basket be measured using a blend of 50 percent of the Employment Cost Index compensation series for hospital workers and 50 percent of nine non-hospital ECI compensation series reflecting the types of employees hospitals hire. The Commission also recommends that contract labor expenses be incorporated into the new compensation component in the market basket (Recommendation 2).

We concur with ProPAC's recommendation to include contract labor in the compensation component of the market basket. Further, we agree with ProPAC that the ECI series for hospital workers should replace the currently used BLS Average Hourly Earnings for private hospital workers. We propose to retain the current

weighting methodology (50 percent of the professional and technical weight has a hospital industry wage variable), but to substitute the ECI for Wages and Salaries for civilian hospital workers for the average hourly earnings of private hospital workers. The civilian hospital workers category includes workers from all categories of hospitals except Federal hospitals. The ECI offers a purer measure of wage changes than the average hourly earnings series. The ECI is not affected by changes in the occupational mix within the hospital industry. In addition, the ECI for hospital workers includes public (except Federal) and private sector employees. The AHE series includes only private employees. The ECI for civilian hospital workers began in the second quarter of 1986. This makes forecasting more difficult because the forecasts have fewer historical observations to estimate from. However, we think that the ECI represents a substantial conceptual improvement in measurement over the AHE variable.

The current price proxy for employee benefits is the sum of employer contributions for social insurance and other labor income per worker in the nonagricultural economy. This measure is calculated from the Department of Commerce and Department of Labor data sources. This price proxy is an economy-wide measure of the growth in employee benefits per worker.

We are proposing a newly available variable for the employee benefits price proxy, that is, the ECI for employee benefits. Indexes are available for the hospital industry and for the nine occupational groups used for the wages and salaries weighting in the hospital market basket. We propose weighting the ECIs for employee benefits the same as the ECIs for wages and salaries. ProPAC also suggests a blending of hospital-specific and economy-wide ECIs for employee benefits.

The issue of whether to use only internal compensation proxies (that is, based exclusively on hospital industry data), only external compensation proxies (that is, based exclusively on economy-wide data), or a blend of internal and external (hospitals and economy-wide proxies) has been debated for some time. It is generally accepted that prices for most nonlabor hospital inputs are nondiscretionary or beyond the control of the hospital industry. To monitor price changes in these expenditure categories, external (economy-wide) prices are used. However, hospital compensation (wages and salaries plus employee benefits) should not be considered totally beyond industry control. Hospital compensation levels and percent increases could potentially be influenced by market imperfections associated with cost-containment efforts, unionization of employees, cost-based reimbursement or monopsonistic buying practices. These types of potential market imperfections can result in underpayment or overpayment of hospital industry wages relative to other industries.

Victor Fuchs, for example, in a recent article in *Science* (February 1990) states that "In 1949, rank and file health care workers with 16 years of schooling or less earned 15 percent less than their counterparts in the rest of the economy. In 1985, they earned 7 percent more than other workers." His estimates were based on multivariate analysis of the 1950 Census of the Population and the March 1986 Current Population Survey with controls for education, age, geographic location, and gender. The findings of Fuchs' study suggest that a 100 percent internal hospital wage proxy may not be appropriate public policy. The supply and demand relationships for certain professional-technical occupations such as registered nurses and physical therapists may not be appropriately reflected in economy-wide indicators of compensation changes for professional and technical employees. For the reasons stated above, neither 100 percent internal (hospital industry) nor 100 percent external (economy-wide) compensation variables may be appropriate. Consequently, both HCFA and ProPAC have recommended a blend of hospital industry and economy-wide compensation rate increases.

By classifying hospital wages and salaries into specific broad-based occupational categories, it is possible to group wages and salaries into two groups, those for which an internal proxy is more appropriate and those for which an external proxy is more appropriate. We believe that we are refining ProPAC's recommendation by further disaggregating the mix of hospital workers into specific categories, and applying a combination of internal and external price proxies in the HCFA Blended Compensation Index.

The proposed HCFA Blended Compensation Index groups hospital occupations into nine broad categories. For eight of these occupational groups we believe that hospitals compete for labor generally with employers outside the health sector. Accordingly, use of ECIs as external price proxies for each occupation seems most appropriate. In the case of compensation for nurses, expecially registered nurses, as well as for certain other health care technicians and professionals, the hospital labor market may predominate and this should be reflected in the use of an internal compensation proxy. However, hospitals also compete with other industries to obtain certain skilled professional and technical staff (for example, computer programmers). Therefore, for professional and technical workers, we believe a price proxy that reflects an equal blend of internal and external compensation variables is appropriate. The proxy for the wages component of the prospective payment hosptial market basket reflects internal and external measures of price changes as follows:

TABLE 2.—HCFA BLENDED WAGES AND SALARIES

Wages and salaries component of the 1987 hospital market basket	Wages and salaries percentage [1]	Price proxy
1. Professional and Technical.	62.0	Equal blend of ECI for Hospital Workers and ECI for Wages and Salaries of Professional Specialty and Technical Workers.
2. Managers and Administrators.	9.7	ECI for Wages and Salaries for Executive, Administrative and Managerial Workers.
3. Sales	0.4	ECI for Wages and Salaries for Sales Workers.
4. Clerical Workers.	12.9	ECI for Wages and Salaries for Administrative Support Including Clerical Workers.
5. Craft and Kindred.	1.9	ECI for Wages and Salaries for Precision Production, Craft and Repair Workers.
6. Operatives Except Transport.	0.6	ECI for Wages and Salaries for Machine Operators, Assemblers and Inspectors.
7. Transport Equipment Operatives.	0.1	ECI for Wages and Salaries for Transportation and Material Moving Workers.
8. Non-Farm Laborers.	0.1	ECI for Wages and Salaries for Handlers, Equipment Cleaners, Helpers and Laborers.
9. Service Workers.	12.3	ECI for Wages and Salaries for Service Occupations.
Total wages and salaries.	100.0	Total Weight for Wages and Salaries is 52.2.

[1] Calculated Using Hospital Industry Data From The 1987 Current Population Survey.

The HCFA Blended Employee Benefits Index uses the same percent distribution as the wages and salaries distribution in Table 2. The ECIs for employee benefit proxies are the analog ECI's for wages and salaries for each of the groups in Table 2. The total weight for employee benefits is 9.5 percent.

The Blended Wages and Salaries Index is combined with the Blended Employee Benefits Index to form the HCFA Blended Compensation Index.

We believe that the HCFA Blended Compensation Index provides an accurate and equitable basis for monitoring increases in the wages and employee benefits portions of the hospital market basket and that it responds to ProPAC's concern that the input price index should reflect labor market forces that are both internal and external to the hospital industry.

E. Separate Market Basket for Hospitals and Hospital Units Excluded From the Prospective Payment System

In its March 1, 1990 report, ProPAC recommended that we establish a separate market basket for hospitals and hospital units excluded from the prospective payment system (Recommendation 6). We agree with this recommendation and we are proposing a separate market basket for excluded hospitals and units. Prospective payment system and excluded hospitals tend to have different case mixes, practice patterns, and composition of inputs. The fact that these hospitals are not included under the prospective payment system in part reflects these differences.

HCFA, ProPAC, and industry studies have documented the significantly different weights for excluded hospitals and prospective payment hospitals. Table 3 compares weights in the rebased 1987 prospective payment system hospital market basket with the proposed market basket weights for excluded hospitals. Wages and salaries are 61.3 percent of total operating costs for excluded hospitals compared to 52.2 percent for prospective payment hospitals. Employee Benefits are 13.0 percent for excluded hospitals compared to 9.5 percent for prospective payment hospitals. Compensation costs (wages and salaries plus employee benefits) are 74.3 percent of costs compared to 61.7 percent for prospective payment hospitals. Noncompensation costs are 25.7 percent for excluded hospitals and 38.3 percent of costs for prospective payment hospitals. Energy and utility costs are a slightly higher percent of excluded hospital costs reflecting the higher proportion of room costs relative to ancillary services for excluded hospitals. On the other hand, pharmaceutical costs are a substantially lower proportion of costs for excluded hospitals. The weights for the excluded hospital market basket were derived using essentially the same data sources and methods as for the prospective payment market basket (see Appendix B to the proposed rule).

Differences in weights between the excluded hospital and prospective payment hospital market baskets do not necessarily lead to significant differences in the rate of price growth for the two market baskets. If all individual wages and prices move at the same annual rate, both market baskets will have the same price growth since weights are irrelevant in this special case. Also, offsetting price increases for various costs components can result in the price growth being the same.

To examine the sensitivity of a separate market basket for excluded hospitals, we developed 1987 weighted special scenario market baskets for excluded hospitals and prospective payment hospitals using the same wage and price proxies as for the current input index (1982 base) (see Table 4). The current wage and price proxies are used because they are available for a long historical time period. The weights are shown in Table 1 of this section. For the period 1977 through 1989 the special scenario excluded hospital market basket increased about 0.1 percent faster on an annual basis than the special scenario prospective payment hospital market basket. However, more than one-third of year-to-year variations were outside the tolerance range of 0.25 percent suggested by ProPAC for the implementation of a forecast error correction factor. In only 2 of the 13 years did the excluded hospital market basket have a lower rate of increase than the prospective payment hospital market basket. In 8 of the 13 years the rate of increase in the market basket was 0.1 percent or higher than the prospective payment hospital market basket. Increases can accumulate. Over one 2-year period, the excluded hospital market basket rate of increase was 0.8 percentage point higher than the prospective payment hospital market basket (0.4 percent for each year).

Table 5 compares the proposed excluded hospital market basket with the proposed prospective payment hospital market basket for FY 1988 through FY 1991.

TABLE 3.—COMPARISON OF WEIGHTS FOR EXCLUDED HOSPITAL AND PROSPECTIVE PAYMENT HOSPITAL MARKET BASKETS [1]

Category	1987 Weights	
	Excluded hospitals [2]	Prospective payment hospitals
1. Wages and salaries	61.3	52.2
2. Employee benefits	13.0	9.5
3. Professional Fees	1.3	1.6
4. Energy and Utilities	2.8	2.4
A. Fuel oil, coal etc.	0.7	0.6
B. Electricity	1.3	1.1
C. Natural gas	0.4	0.3
D. Motor gasoline	0.3	0.2
E. Water and sewerage	0.1	[3] 0.0
5. Prof. Liability Ins.	1.7	1.4
6. All Other	19.7	32.7
A. All Other Products		
(1) Pharmaceuticals	1.2	3.9
(2) Food		
(a) Direct purchase	2.6	2.1
(b) Contract service	0.7	1.2
(3) Chemicals	1.9	3.1
(4) Medical instruments	1.6	2.7
(5) Photo. supplies	1.6	2.6
(6) Rubber and plastics	1.4	2.3
(7) Paper products	0.8	1.4
(8) Apparel	0.7	1.1
(9) Mach. and equip.	0.3	0.5
(10) Miscellaneous products	0.5	0.8
Subtotal	13.1	21.7
B. All Other Services		
(1) Business services	2.3	3.8
(2) Computer services	1.2	2.0
(3) Trans. and shipping	0.7	1.2
(4) Telephone	0.6	1.0
(5) Blood services	0.4	0.6
(6) Postage	0.2	0.4
(7) All other labor intensive	0.7	1.2
(8) All other non-labor int.	0.5	0.8
Subtotal	6.6	11.0

[1] The wage and price proxies are the same for the excluded hospital and prospective payment hospital market baskets.

[2] The 1987 excluded hospital market basket has a composite set of weights for Medicare participating psychiatric, long term care, rehabilitation, and children's hospitals.

[3] This weight rounds to zero at the precision displayed.

TABLE 4.—A COMPARISON OF EXCLUDED HOSPITAL AND PROSPECTIVE PAYMENT HOSPITAL MARKET BASKETS, PERCENT CHANGE, 1977–1989 [1]

Federal fiscal year	Market baskets		Difference
	Excluded hospitals	Prospective payment hospitals	
1977	7.4	7.0	0.4
1978	7.3	6.9	0.4
1979	8.3	8.3	0.0
1980	11.5	12.1	(0.6)
1981	10.6	10.6	0.0
1982	8.5	8.1	0.4
1983	5.9	5.6	0.3
1984	4.8	4.7	0.1
1985	3.8	3.7	0.1

TABLE 4.—A COMPARISON OF EXCLUDED HOSPITAL AND PROSPECTIVE PAYMENT HOSPITAL MARKET BASKETS, PERCENT CHANGE, 1977–1989 [1]—Continued

Federal fiscal year	Market baskets		Difference
	Excluded hospitals	Prospective payment hospitals	
1986	3.0	2.9	0.1
1987	3.5	3.4	0.1
1988	4.8	4.8	0.0
1989	5.5	5.7	(0.2)
Average 1977–1989	6.5	6.4	0.1

[1] In this sensitivity analysis, the 1987 weights for excluded hospitals and prospective payment hospitals are used (Table 1). The wage and price proxies used are from the current (1982 based) regulation market basket since these proxies are available for long-run analysis. The price proxies proposed by HCFA, and by ProPAC in their March 1, 1990 report, incorporate a newly-available Employment Cost Index for hospital workers (beginning 1986, second quarter). Thus long-run historical analysis cannot be done with the proposed price proxies.

TABLE 5.—PERCENT CHANGE IN PROPOSED EXCLUDED HOSPITAL AND PROSPECTIVE PAYMENT HOSPITAL MARKET BASKETS, 1988–1991

Federal fiscal year	Proposed excluded hospitals	Market basket prospective payment hospitals	Difference
Historical:			
1988	4.7	4.7	0.0
1989	5.7	5.8	(0.1)
Forecasted: [1]			
1990	5.2	5.0	0.2
1991	5.3	5.2	0.1

NOTE: For FY 1991, the rate of increase in the proposed excluded hospital market basket is forecast at 5.3 percent, 0.1 percent higher than the proposed prospective payment hospital market basket forecasted rate of increase.

[1] DRI/McGraw-Hill.

V. Other Decisions and Proposed Changes to the Regulations

A. Elimination of the Regional Floor (§ 412.70)

Section 4002(d) of Public Law 100–203 amended section 1886(d)(1)(A)(iii) of the Act to establish a "regional floor" for the prospective payment rate applicable to a hospital effective for discharges occurring on or after April 1, 1988 and before October 1, 1990. In accordance with this section, hospital payments have been based on the greater of the national average standardized amount or the sum of 85 percent of the national average standardized amount and 15 percent of the average standardized amount for the Census region in which they are located. Because the statutory authority for use of the regional floor expires on October 1, 1990, we would discontinue its use effective with discharges occurring on or after October 1, 1990.

B. Sole Community Hospitals (§ 412.92)

Under the prospective payment system, special payment protections are provided to sole community hospitals (SCHs). An SCH is a hospital that, by reason of factors such as isolated location, weather conditions, travel conditions, or absence of other hospitals, is the sole source of inpatient hospital services reasonably available to Medicare beneficiaries. The regulations that set forth the criteria that a hospital must meet to be classified as an SCH are at § 412.92(a). Currently, to be classified as an SCH, a hospital must either have been designated as an SCH prior to the beginning of the prospective payment system, or it must be located in a rural area and meet one of the following requirements:

- It is located more than 35 miles from other like hospitals.
- It is located between 25 and 35 miles from other like hospitals, and it—
  - —Serves at least 75 percent of inpatients in its service area; or
  - —Has fewer than 50 beds and would qualify on the basis of serving 75 percent of its area's inpatients except that some patients seek specialized care unavailable at the hospital.
- It is located between 15 and 35 miles from other like hospitals and isolated by local topography or extreme weather for 30 days in each 2 out of 3 years.

Effective with hospital cost reporting periods beginning on or after April 1, 1990, section 1886(d)(5)(D)(i) of the Act, as amended by section 6003(e) of Public Law 101–239, provides that SCHs are paid based on whichever of the following rates yields the greatest aggregate payment: the Federal rate applicable to the hospital (that is, the national rate subject to the regional floor), the updated hospital-specific rate based on FY 1982 cost per discharge, or the updated hospital-specific rate based on FY 1987 cost per discharge. (We implemented this provision in the April 20, 1990 final rule with comment (55 FR 15150).)

1. Travel Time

Section 6003(e) of Public Law 101–239 also added a new section 1886(d)(5)(D)(iv) of the Act, which directs the Secretary to establish criteria to determine whether a hospital should be classified as an SCH "because of the time required for an individual to travel to the nearest alternative source of appropriate inpatient care."

In developing a proposed travel time policy, we consulted with many public and private sources to determine if there was already in existence an established system to measure travel time in rural areas. We sought advice on this issue from other governmental agencies, public and private health care officials, consultants in health care administration, and members of the travel and map-making industries. We found no existing system that could be applied to measure travel time between rural hospitals on a nationwide basis. Where there is travel time data, the data are limited to travel time between major urban areas and are based primarily on travel via interstate and major urban highways. Existing travel time studies do not take into consideration travel time on rural roads or the effects of variable weather conditions. Based on consultation with the entities and individuals mentioned above and with hospital personnel and other interested parties, we are proposing these regulations based on the best data we were able to obtain.

We considered permitting a hospital to qualify for SCH status based solely on a statement from a disinterested party (such as the State Highway Administration or State Police Department) certifying the time required to travel between two rural hospitals. Although we have not included this as part of our proposal, we would be interested in comments on whether this would be a viable policy. We would also be interested in suggestions as to who the certifying official should be if such a system were enacted and what criteria should be established for measuring the travel time.

We propose to continue many of the same definitions that we have already incorporated into the SCH regulations. That is, we propose to define "alternative source of appropriate inpatient care" as we previously defined "like hospital" in § 412.92(c)(2) of the regulations. Alternative source means a hospital furnishing short-term, acute care. Consistent with our current policy, we would not evaluate the comparability of specialty services offered by hospitals in determining SCH status.

We also propose to define "nearest" as we have in the past in § 412.92(c)(1), that is, as the shortest distance in miles measured over improved roads. An improved road is any road maintained by Federal, State, or local governmental entity and available for use by the general public.

We continue to believe that 45 minutes is a reasonable measure of travel time between rural hospitals and we propose to use it as the standard to determine SCH qualification under this provision. In the preamble to the September 1, 1989 prospective payment final rule in which we most recently revised the SCH mileage criteria, we stated that, "Considering that the average travel time between two hospitals 35 miles apart is 45 minutes, we believe it is reasonable to assume that a hospital more than 35 miles from a like hospital is the sole source of care reasonably available to Medicare beneficiaries." (54 FR 36481.)

We considered all of the factors that influence the length of time required to travel from one location to another. We believe that some factors (such as time of day, age and experience of the driver, and age and condition of the vehicle being used) are so variable that they are unreliable as consistent measures of travel time. Other factors, such as traffic congestion, elevation changes, and traffic lights, are extremely difficult to measure by themselves. However, we did identify three factors that affect travel time—distance, speed limit, and predictable weather conditions—that can be objectively measured and we propose to use them to determine whether a hospital should be classified as an SCH based solely on travel time. That is, to qualify as an SCH based on travel time to the nearest alternative source of appropriate inpatient care, a hospital would have to show that it takes at least 45 minutes to travel to the nearest like hospital using the fastest route and traveling at 90 percent of the maximum posted speed limit. In areas meeting certain severe weather conditions, an additional factor (described below) would be added to the travel time.

We are proposing the following formula to determine whether a hospital should be classifed as an SCH based solely on travel time to the nearest available source of appropriate inpatient care.

Travel Time =

$$\left[\text{Distance} \div \left(\frac{\text{90\% of the Speed Limit}}{\text{60 minutes}}\right)\right] \times (\text{Weather Conditions Factor})$$

If the travel time between hospitals equals 45 minutes or more using this formula, the requesting hospital would be classified as an SCH. If the travel time is less than 45 minutes, the hospital would not be classified as an SCH based on the travel time criterion.

A. *Speed limit.* We would base our determination on 90 percent of the maximum allowable posted speed limit. Our use of 90 percent of the maximum allowable speed limit takes into consideration factors such as traffic lights, stop signs, and congestion that increase travel time, but that are not measurable by speed limit, distance, or weather conditions. This 90 percent factor also takes into consideration the fact that not all drivers travel at the maximum allowable speed limit. We recognize that the allowable speed limit may vary considerably on the same road; that is, a roadway may have a speed limit of 55 miles per hour for open areas but lower limits for travel through towns, in areas of heavy congestion, or around sharp curves. In making our determination, the speed limits would be prorated based on the distance traveled. For example, if a trip involves travel at 55 miles per hour for 10 miles and at 40 miles per hour for 5 miles, the distance that must be traveled at the different speed limits would be taken into consideration.

To calculate travel times, we would round all calculations to two digits to the right of the decimal point (one-hundreths). If the third digit is five through nine, we would round upward; if the third digit is one through four, we would round downward.

We recognize that major changes in elevation influence the time required to travel between two locations, and we attempted to develop standards to incorporate elevation changes into our criteria. However, we found it to be very difficult to measure elevation changes equitably. That is, we could not simply categorize particular areas as "mountainous" because the term is too imprecise. Neither could we base a determination on the difference in elevation between two hospitals because the road between them might involve travel up and down several major hills and there is no standardized system readily available that would permit measurement of all the elevation changes along any given route. We also found it problematic to measure consistently the effects of other impediments to travel such as variable traffic congestion, school bus stops, traffic lights, stop signs, and railroad crossings.

However, we believe that all these variable factors are considered in establishing the speed limit permitted on any given road. That is, steep inclines, areas approaching traffic lights, and severe curves generally have lower posted speed limits than do areas across level open sections of road. In establishing speed limits, the State and local governments also take into account such factors as the type of road being traveled (for example, limited access, four-lane highways generally have higher speed limits than unlimited access, two-lane, farm-to-market roads), areas of limited visibility, excessive congestion, road crossings, and school zones. Therefore, we believe the speed limit is not only a major factor that must be considered in measuring travel time between two hospitals, but it is also an important indicator of many other variable factors affecting travel time.

b. *Distance.* We believe that because the value of measuring distance is clear, it requires little discussion. In most instances, the shortest distance between two hospitals will also be the fastest. However, in those instances where a slightly longer route may be considerably faster than a shorter, more direct route, we would base our travel time determination on the faster route for purposes of determining SCH status based on travel time to the nearest like hospital. That is, there may be areas where there is more than one possible route between hospitals. One route may involve travel of 33 miles over a limited access, four-lane highway on which the posted speed limit is 55 miles per hour. The other route may require travel via a two-lane road with a maximum speed limit of 35 miles per hour, but the distance is only 30 miles. In this example, it would require 57.14 minutes to make the trip using the shorter route—

$$\left[30 \div \left(\frac{35 \times .9}{60}\right)\right] = 57.14$$

but only 40.000 minutes to make the trip using the longer route—

$$\left[33 \div \left(\frac{55 \times .9}{60} \right) \right] = 40.00$$

If we considered the time it takes to travel the shortest route rather than the fastest travel time, this hospital would qualify (57.14 minutes is greater than 45.00 minutes). However, it takes only 40.00 minutes to travel the longer route. Thus, the two hospitals are less than 45 minutes apart. Therefore, in considering whether a hospital qualified as an SCH in this example, we would base our determination on the longer but faster route to the nearest like hospital.

c. *Weather conditions.* The third factor that affects travel time is severe weather conditions. Rainfall, snow, ice, and fog may slow travel speeds below the posted limits. Because such conditions are so variable, it is not possible to measure their impact precisely. However, based on data from the National Oceanic and Atmospheric Administration (NOAA) of the United States Department of Commerce, we know the conditions that prevail in various areas based on data gathered and averaged, in most cases, over at least the last 30 years. NOAA compiles climatological data from 271 weather stations across the country on a daily basis and has prepared charts detailing the mean number of days per year on which certain weather conditions have occurred at each of these stations based generally on at least 30-year averages. The data show, for example, the average number of days per year during which a particular weather station reported at least 0.01 inches or more of precipitation, heavy fog that limited visibility to one-quarter of one mile or less, and accumulated snowfall or ice pellets measuring 1.0 inch or more.

We believe these data are the most accurate and current data available and represent an equitable assessment of weather conditions likely to impede travel in any given area. For instance, the city of Goodland, Kansas has an average of 11.9 days per year during which snow or ice pellet accumulation measures 1.0 or more inches. Precipitation of 0.01 inch or more falls on an average of 76.5 days per year in Goodland, and heavy fog that limits visibility to one-quarter mile or less occurs on 27.8 days per year. These same data are available for each of the 271 weather stations across the United States.

NOAA does not make distinctions beyond those identified above. That is, it does not list the average number of days annually on which snowfall exceeds 2.0 inches or more or fog limits visibility to one-half of one mile or less. We believe that the average number of days annually on which severe weather conditions occur is a more meaningful measure than the total average accumulation of rain or snow annually since it measures the daily occurrence of impediments to travel rather than the severity; that is, we believe that snowfall of 1.0 inches or more on 20 days is a more meaningful measure for evaluating travel time than is snowfall of 5.0 inches on 5 days per year.

We believe weather conditions should be considered only when they are prevalent for a significant number of days during the year; that is, if an area averages 1.0 inch of snowfall on 10 days a year, we do not consider it to be a significant impediment to travel. Similarly, heavy fog on 25 days a year is a problem on those 25 days, but for the remaining 340 days in a year, presents no impediment to travel. Listed below are the lower limits that we believe constitute significant disruptions to travel time.

Significant disruptions to travel time

Type of atypical weather condition	Lower limit of days annually
Average number of days annually on which the amount of snowfall or ice pellets is greater than 1.0 inch	25
Average number of days annually on which precipitation is greater than 0.01 inch	160
Average number of days annually with heavy fog (visibility of ¼ mile or less)	50

For each of these lower limits that are exceeded in the hospital's area (according to NOAA data), we propose to use an additional weather factor of 10 percent. If the hospital's area has 25 or more days of snowfall greater than 1.0 inch, we would use the following formula:

$$\text{Travel Time} = \left[\text{Distance} \div \left(\frac{\text{90\% of the Speed Limit}}{\text{60 Minutes}} \right) \right] \times 110\%$$

For example, if the distance times 90 percent of the speed limit divided by 60 results in travel time of 41.00 minutes and the NOAA data indicate that the area in which the hospital is located is subject to heavy fog during 60 days each year, we would multiply the 41.00 minutes by 110 percent resulting in travel time of 45.10 minutes. If the NOAA data indicate the area in which the hospital is located is subject to heavy fog during 55 days per year and it is also subject to rainfall of at least 0.01 inch on 175 days per year, we would multiply the product of speed divided by 60 times the distance by 120 percent resulting in travel time of 49.20 minutes.

We wish to emphasize that we would accept only the data published by NOAA as evidence of these types of weather conditions. In order to ensure consistency in making SCH determinations, we believe it is important to rely on a sole source for our data. Also, we believe the data published by NOAA are an excellent compilation since NOAA averages weather conditions prevalent in most cases over at least a 30-year period and because the data are based on the days of occurrence, rather than the severity, of certain weather conditions. A hospital would not have to furnish NOAA data to us since we have a complete set of the most current data published for each weather station. For the convenience of the reader, we have included in Table 9 in Section IV of the Addendum to this proposed rule a list of the NOAA data on which we would base our decisions concerning the weather conditions factor. These data are also available to hospitals upon request to NOAA. If a hospital wishes to obtain these data from NOAA, it may do so by writing to:

United States Department of Commerce, National Oceanic and Atmospheric Administration, National Climatic Data Center, Federal Building, Ashville, NC 28801

The hospital should identify itself by its location in or near a city and state and request the most current "local climatological data, annual summary with comparative data" for its area.

In making our determination regarding applicable weather conditions, we would consider the weather conditions reported by the weather station located closest to the requesting hospital (using air miles). In the event a hospital is located virtually equidistant between two weather reporting stations, we would average the weather conditions of the two stations.

Following are two examples of the travel time calculation:

Example 1:

Hospital A is located 25 miles from the nearest like hospital. The fastest route between these hospitals involves traveling 15 miles at 55 miles per hour and 10 miles at 40 miles per hour. There are no severe weather conditions prevalent in the area.

(1) Driving 15 miles at 55 mph requires 18.18 minutes.

$$\left[15 \text{ miles} \div \left(\frac{90\% \times 55 \text{ mph}}{60 \text{ minutes}} \right) \right] = 18.18 \text{ minutes}$$

(2) Driving 10 miles at 40 mph requires 16.67 minutes.

$$\left[10 \text{ miles} \div \left(\frac{90\% \times 40 \text{ mph}}{60 \text{ minutes}} \right) \right] = 16.67 \text{ minutes}$$

In this example, it requires 34.85 (18.18 plus 16.67) minutes to travel from Hospital A to the nearest like hospital; therefore, the hospital would not qualify as an SCH based on travel time.

Example 2:

Hospital B is located 26 miles from the nearest like hospital. There is only one road between the two hospitals and the speed limit on it is 40 miles per hour for its entire distance. The area has severe fog for 70 days each year.

(1) Driving 26 miles at 40 mph requires 43.33 minutes.

(2) Multiplying 43.33 minutes by 110 percent yields 47.66 minutes travel time between hospitals.

In this example, the travel time between hospitals exceeds the 45 minute standard and the hospital would qualify as an SCH.

It would be the responsibility of the hospital to submit evidence of the distance to the nearest like hospital (using the fastest route) and to document the maximum posted speed limits along the route. We would require the hospital to explore each reasonable alternative route to determine which is the fastest. As evidence that the hospital meets these criteria, the hospital would be required to submit, as part of its request, a road map that shows as much detail as possible. Where speed limits vary along the fastest route, the hospital would mark the route to show the distance subject to each speed limit and the posted speed limit for each distance. That is, a hospital would mark each change in speed limit along the route to show the mileage and the posted speed limit for each section.

It would be the responsibility of the hospital to submit sufficient data to permit the intermediary and the HCFA regional office to make a determination based on distance and speed limits. The data would be subject to verification. The HCFA regional office would apply the NOAA data regarding weather conditions and make a determination regarding the hospital's qualification for SCH status based on travel time. The HCFA regional office would then notify the intermediary of its determination.

We recognize that this proposed system does not account for every possible impediment to travel time. However, we note that a hospital that does not qualify based on travel time may still qualify for SCH status under the market share test. We believe the proposed formula for evaluating travel time is the most equitable considering that the SCH provision must be implemented consistently on a nationwide basis. We encourage interested parties to study the proposal carefully and to submit any suggestions for improvement.

We note that section 6003(e)(3) of Public Law 101-239 specifically states that any hospital classified as an SCH as of the date of enactment of Public Law 101-239 (that is, December 19, 1989) will continue to be classified as an SCH regardless of whether the hospital meets the revised criteria resulting from changes made in implementing section 6003(e)(1) of Public Law 101-239.

2. Volume Adjustment

Section 4005(c)(1)(B) of the Omnibus Budget Reconciliation Act of 1987 (Pub. L. 100-203) amended section 1886(d)(5)(C)(ii) of the Act to provide that a hospital that meets the criteria to qualify for SCH classification is eligible for the 5 percent volume adjustment even though the hospital does not receive payment under the prospective payment system as an SCH. That is, Congress recognized that there are instances where, although a hospital meets the criteria to qualify for SCH status, it would be more advantageous financially for a hospital to be paid based on fully Federal rates than under the 75 percent hospital-specific payment rate plus 25 percent Federal regional payment rate formula that was in effect at the time the law was enacted. Therefore, Congress extended the protection of the volume adjustment to such facilities.

Section 6003(e)(1)(iv) of Public Law 101-239, which replaced section 1886(d)(5)(C)(ii) of the Act with a new section 1886(d)(5)(D) of the Act, did not include this provision in the amendment. Thus, we believe that it is clear that Congress did not intend that this provision continue to apply. In addition, we also believe that this provision is no longer necessary because, as provided in section 1886(d)(5)(D)(i) of the Act, for cost reporting periods beginning on or after April 1, 1990, an SCH will automatically be paid based on whichever of the following rates yields the greatest aggregate payment: Its hospital-specific rate using either 1982 or 1987 as the base year or the Federal rate. Thus, a hospital can no longer be disadvantaged by receiving payment as an SCH and the original provision is no longer beneficial to any hospital. Therefore, we are proposing to eliminate § 412.92(f), "Additional payments to

other hospital experiencing a significant volume decrease," effective with cost reporting periods beginning on or after October 1, 1990.

For similar reasons, we are also proposing to eliminate § 412.92(g), "Payment adjustment for new inpatient facilities or services." Section 9111(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub. L. 99–272) amended section 1886(d)(5)(C)(ii) of the Act to provide for an adjustment to the payment amounts to compensate an SCH reasonably for the increased costs of adding new services or facilities. The law limited this provision to cost reporting periods beginning on or after October 1, 1983 and before October 1, 1989 as a temporary measure until a permanent payment methodology could be developed to recognize significant distortions in operating costs resulting from the addition of new services or facilities. Pending the enactment of legislation that would provide for a new payment methodology, we administratively extended this provision indefinitely in the September 1, 1989 prospective payment system final rule (54 FR 36480). However, the provisions of section 6003(e) of Public Law 101–239 implement a permanent payment methodology for SCHs that recognizes cost distortions in years subsequent to the implementation of the prospective payment system and provides the opportunity for payment based on a new base year (that is, FY 1987). Therefore, we are proposing to eliminate this provision effective with cost reporting periods beginning on or after October 1, 1990.

Based on the language of the Conference Report that accompanied Public Law 101–239, we believe that Congress intended that we discontinue this special payment adjustment. The Report states that the House bill "eliminates the adjustment provided for SCHs experiencing a significant increase in operating costs due to the addition of new inpatient facilities or services." (H.R. Rep. No. 386, 101st Cong., 1st Sess. 721 (1989).) Although the conference agreement concerning criteria for payment for SCHs includes the House provision with amendments, no amendment was made to this provision. Thus, the material from the House bill was accepted without change by the Conference Committee. Therefore, we believe that Congress intends that SCHs would no longer be eligible for a special payment adjustment concerning new inpatient facilities or services.

C. Cancer Hospitals (§ 412.94)

In the September 1, 1989 final rule (54 FR 36484), we revised § 412.94(b) to clarify that a cancer hospital that elects payment on a reasonable cost basis continues to be subject to the requirements of the prospective payment system with respect to hospital inpatient services (specifically, the provisions concerning the payment for capital-related costs and the availability of periodic interim payments).

In the December 29, 1989 **Federal Register** notice that announced certain provisions of Public Law 101–239 that affect FY 1990 payments to hospitals, we discussed the provisions in section 6004(a) of Public Law 101–239, which relate to the exclusion from the prospective payment system of cancer hospitals and corresponding changes (54 FR 53754). Section 6004(a) of Public Law 101–239 amended section 1886(d)(1)(B) of the Act to exclude from the prospective payment system a hospital that the Secretary classifies on or before December 31, 1990 as a hospital involved extensively in treatment for or research on cancer (cancer hospital). Also to be excluded from the prospective payment system is a hospital that the Secretary classifies on or before December 31, 1991 as a cancer hospital, and which, on the date of the enactment of this provision (December 19, 1989), was located in a State operating a demonstration project under section 1814(b) of the Act. Exclusion from the prospective payment system applies to cost reporting periods beginning on or after October 1, 1989 for hospitals approved as cancer hospitals on or before December 19, 1989 and for cost reporting periods beginning on or after the date of classification for all subsequently approved hospitals.

A hospital that the Secretary has determined to be a cancer hospital is eligible to receive periodic interim payments under section 1815(e)(2) of the Act effective January 18, 1990 if it meets the criteria under § 413.64(h) for receiving these payments.

Under section 6004(a)(3)(B) of Public Law 101–239, for hospitals classified as cancer hospitals as of December 19, 1989, the reduction for payments of capital-related costs of inpatient services that had been applied to these hospitals as prospective payment hospitals was eliminated effective for portions of cost reporting periods or discharges occurring on or after October 1, 1986.

For hospitals classified as cancer hospitals after December 19, 1989, the reduction for payment of capital costs is eliminated for cost reporting periods beginning on or after the date of the classification.

Section 6004(b) of Public Law 101–239 amended section 1886(b)(3) of the Act by adding a new subparagraph (E) to provide that, for cost reporting periods beginning on or after April 1, 1989, the base year for determining target amounts for cancer hospitals is the hospital's cost reporting period beginning during FY 1987 unless the use of its FY 1982 cost per discharge and intervening updates creates a higher target amount.

In this proposed rule, we would revise the regulations to conform with the requirements of these provisions. In addition, we would transfer the regulations concerning the criteria that must be met to qualify as a cancer hospital and the payment adjustment applicable to an approved cancer hospital from § 412.94 in subpart G (Special Treatment of Certain Facilities) to § 412.23 in subpart B (Hospital Services Subject to and Excluded from the Prospective Payment System). Conforming changes would be made in § 412.90.

D. Rural Referral Centers (§ 412.96)

Under the authority of section 1886(d)(5)(C)(i) of the Act, §412.96 sets forth the criteria a hospital must meet in order to receive special treatment under the prospective payment system as a referral center (that is, payment is based on the other urban payment rate rather than the rural payment rate). One of the criteria under which a rural hospital may qualify as a referral center is to have 275 or more beds available for use.

A rural hospital that does not meet the bed size criterion can qualify as a rural referral center if the hospital meets two mandatory criteria (number of discharges and case-mix index) and at least one of three optional criteria (medical staff, source of inpatients, or volume of referrals). With respect to the two mandatory criteria, a hospital is classified as a rural referral center if its—

• Case-mix index is equal to the lower of the median case-mix index for urban hospitals in its census region, excluding hospitals with approved teaching programs, or the median case-mix index for all urban hospitals nationally; and

• Number of discharges is at least 5,000 discharges per year or, if fewer, the median number of discharges for urban hospitals in the census region in which the hospital is located. (We note that the number of discharges criterion for an osteopathic hospital is at least 3,000 discharges per year).

1. Case-Mix Index

Section 412.96(c)(1) provides that HCFA will establish updated national and regional case-mix index values in each year's annual notice of prospective payment rates for purposes of determining rural referral center status. In determining the proposed national and regional case-mix index values, we would follow the same methodology we used in the November 24, 1986 final rule, as set forth in regulations at § 412.96(c)(1)(ii). Therefore, the proposed national case-mix index value includes all urban hospitals nationwide and the proposed regional values are the median values of urban hospitals within each census region, excluding those with approved teaching programs (that is, those hospitals receiving indirect medical education payments as provided in § 412.118).

These values are based on discharges occurring during FY 1989 (October 1, 1988 through September 30, 1989) and include bills posted to HCFA's records through December 1989. Therefore, in addition to meeting other criteria, we are proposing that to qualify for initial rural referral center status for cost reporting periods beginning on or after October 1, 1990, a hospital's case-mix index value for FY 1989 would have to be at least—

• 1.2494; or

• Equal to the median case-mix index value for urban hospitals (excluding hospitals with approved teaching programs as identified in § 412.118) calculated by HCFA for the census region in which the hospital is located as indicated in the table below.

Region	Case-mix index value
1. New England (CT, ME, MA, NH, RI, VT)	1.1756
2. Middle Atlantic (PA, NJ, NY)	1.1730
3. South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)	1.2523
4. East North Central (IL, IN, MI, OH, WI)	1.1798
5. East South Central (AL, KY, MS, TN)	1.1874
6. West North Central (IA, KS, MN, MO, NB, ND, SD)	1.1822
7. West South Central (AR, LA, OK, TX)	1.2563
8. Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	1.2522
9. Pacific (AK, CA, HI, OR, WA)	1.2794

The above numbers will be revised in the final rule to the extent required if additional bills are received for discharges through September 30, 1989.

For the benefit of hospitals seeking to qualify as referral centers or those wishing to know how their case-mix index value compares to the criteria, we are publishing the FY 1989 case-mix index values in Table 3c in section IV of the addendum to this proposed rule. In keeping with our policy on discharges, these case-mix index values are computed based on all Medicare patient discharges subject to DRG-based payment.

2. Discharges

Section 412.96(c)(2)(i) provides that HCFA will set forth the national and regional numbers of discharges in each year's annual notice of prospective payment rates for purposes of determining referral center status. As specified in section 1886(d)(5)(C)(i)(II) of the Act, the national standard is set at 5,000 discharges. However, we are proposing to update the regional standards, which are based on discharges for urban hospitals during the fifth year of the prospective payment system (that is, October 1, 1987 through September 30, 1988). That is the latest year for which we have complete discharge data available.

Therefore, in addition to meeting other criteria, we are proposing that to qualify for initial rural referral center status for cost reporting periods beginning on or after October 1, 1990, a hospital's number of discharges for its cost reporting period that began during FY 1989 would have to be at least—

• 5,000 or

• Equal to the median number of discharges for urban hospitals in the census region in which the hospital is located as indicated in the table below.

We again note that to qualify for rural referral center status for cost reporting periods beginning on or after October 1, 1990, an osteopathic hospital's number of discharges for its cost reporting period that began during FY 1989 would have to be at least 3,000.

Region	Number of discharges
1. New England (CT, ME, MA, NH, RI, VT)	6861
2. Middle Atlantic (PA, NJ, NY)	8478
3. South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)	6039
4. East North Central (IL, IN, MI, OH, WI)	7557
5. East South Central (AL, KY, MS, TN)	5815
6. West North Central (IA, KS, MN, MO, NB, ND, SD)	4630
7. West South Central (AR, LA, OK, TX)	4720
8. Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	7412
9. Pacific (AK, CA, HI, OR, WA)	5093

3. Withdrawal From Rural Referral Center Status

In the September 1, 1989 final rule (54 FR 36486), we stated that we would reinstate the triennial reviews of rural referral centers to ensure that they continue to meet the qualifying criteria since the statutory moratorium on implementation of the reviews set forth in section 9302(d)(2) of the Omnibus Budget Reconciliation Act of 1986 (Pub. L. 99–509) was due to expire with cost reporting periods beginning on or after October 1, 1989. In response to our reinstatement of the reviews, Congress included a new moratorium in Public Law 101–239.

Section 6003(d) of the Public Law 101–239 states that a hospital that was classified as a rural referral center (under section 1886(d)(5)(C) of the Act) as of September 30, 1989 (including a hospital covered under section 9302(d)(2) of Pub. L. 99–509) will continue to be classified as a rural referral center for cost reporting periods beginning on or after October 1, 1989 and before October 1, 1992.

We do not believe this provision was intended to preclude a hospital from voluntarily giving up its rural referral center status. In response to inquiries we have received, we are proposing to establish procedures to allow a hospital to withdraw voluntarily from its classification as a rural referral center and return to fully rural rates.

Section 1886(d)(5)(C)(i)(I) of the Act requires that applications for approval as a rural referral center be filed in the quarter preceding the start of a hospital's cost reporting period. Rural referral center classification, if approved, becomes effective only at the start of the hospital's cost reporting period. We do not, however, believe that a request for termination of rural referral center classification must meet these same standards. That is, we believe that a hospital may submit its request to voluntarily withdraw its rural referral center classification at any time during its cost reporting year.

We are proposing to follow the same general procedures for a request to end rural referral center status as we currently use for a request to end sole

community hospital status (§ 412.92(b)(4)). Therefore, voluntary termination as a rural referral center would be effective no later than 30 days after the date the hospital submits its request. We believe the "no later than 30 days" policy is in keeping with the prospective nature of the prospective payment system. The 30-day time frame provides the fiscal intermediary with sufficient time to alter its automated payment systems prospectively, thus avoiding expensive and time consuming reprocessing of claims. The variable time frame of "no later than 30 days from the date of the hospital's request" also permits the regional office, the intermediary, and the hospital to select a mutually agreeable date, for example, at the end of the month, to facilitate the change in rural referral center status. We expect that a hospital will anticipate when it plans to withdraw from rural referral centers status and submit its request in sufficient time to facilitate the change.

Similar to our current policy on sole community requalification, a hospital that has voluntarily withdrawn from rural referral center status may requalify at a later date only if it meets the criteria in effect at the time it wishes to reapply. That is, a hospital must submit its application during the quarter preceding its cost reporting period and it must meet the qualifying standards (this is, number of beds or case-mix index and number of discharges standards) in effect at the time it refiles.

E. Indirect Medical Education Costs (§ 412.118)

Section 1886(d)(5)(B) of the Act provides that prospective payment hospitals that have interns and residents in an approved graduate medical education program receive an additional payment for the indirect costs of medical education. The regulations governing the calculation of this additional payment are set forth at § 412.118. Each hospital's additional indirect medical education (IME) payment is determined by multiplying the hospital's total DRG revenue by the applicable IME adjustment factor.

Section 1886(d)(5)(B)(ii) of the Act provides for an IME adjustment factor of approximately 7.7 percent for every 10 percent increase in the hospital's intern and resident-to-bed ratio that is used to determine the IME payment for discharges occurring on or after October 1, 1988 and before October 1, 1995. The education adjustment factor for discharges occurring on or after October 1, 1995 is approximately 8.1 percent for every 10 percent increase in the hospital's resident-to-bed ratio. We note that the education adjustment factor is an approximation because the adjustment factor is applied on a curvilinear or variable basis. An adjustment made on a curvilinear basis reflects a nonlinear cost relationship; that is, each absolute increment in a hospital's ratio of interns and residents to beds does not result in an equal proportional increase in costs.

As noted above, the IME payment is an add-on to a teaching hospital's total DRG payment and is intended to compensate for the additional operating costs (that is, indirect costs) incurred by the hospital in training interns and residents. Currently, in order to be eligible for an IME adjustment, hospitals are required to submit a listing with the names and social security number of all interns and residents enrolled in an approved program assigned to the hospital and providing services there on September 1. If September 1 falls on a weekend or a Federal holiday, the next business day is used for purposes of the count. This counting methodology assumes the September 1 count is representative of the number of interns and residents working in the acute care inpatient and outpatient portions of the hospital throughout the year.

In addition to IME payments, teaching hospitals are eligible to receive direct graduate medical education (GME) payments based on a per resident amount for the direct costs of training interns and residents. The statutory basis for these GME payments is in section 1886(h) of the Act. The per resident amount is based on the historical costs of the hospital's teaching program and is multiplied by the number of full-time equivalent (FTE) residents working in the hospital during the cost reporting period to compute the amount of the GME payment.

On September 29, 1989, we published a final rule in the Federal Register (54 FR 40286) that added a new § 413.86, which included a new counting methodology for determining resident FTEs for GME payment purposes. A full explanation of this methodology was set forth in that final rule (54 FR 40291). Basically, FTE status is based on the total time necessary to fill a residency slot. The number of hours involved may vary from specialty program to specialty program within a hospital and could vary from hospital to hospital for the same type of program. If a resident spends time in more than one hospital, that resident would not be counted as one FTE for either hospital regardless of the actual hours worked. Rather, that resident's time would be prorated among the hospitals to total no more than one FTE. Part-time residents are counted as partial FTEs based on the proportion of time worked as compared to the total time necessary to fill a full-time residency slot.

For example, if a part-time resident spends only 60 percent of the time necessary to fill a full-time residency slot, the part-time resident would be counted as .6 FTE. Similarly, in situations in which two residents "share" one residency slot, no more than one FTE would be counted for the two individuals for the duration of the shared residency. In cases where a full-time resident spends time sequentially in more than one hospital or dropped out of a program, the individuals are considered full-time residents whose assignments to hospitals would be prorated.

We believe the GME and IME counts should be consistent. Therefore, in § 412.118, we would revise the current one-day method for counting interns and residents for purposes of computing the IME adjustment to a method more consistent with that used for computing GME payments under § 413.86.

There are several reasons for adopting the GME methodology for IME purposes. First is its superiority over the one-day count in capturing any fluctuations in the number of residents working in a hospital throughout the cost reporting year. In addition, there is a greater potential for abuse using the IME methodology. For example, situations may arise where a resident spends part of September 1 at a hospital that receives IME payments and the other part at a hospital or unit not receiving IME payments (that is, a hospital excluded from the prospective payment system). In those situations, it may be difficult for the fiscal intermediary to detect a prospective payment hospital that inappropriately counts the resident as one FTE for IME payment purposes, since a hospital not receiving IME payments is not required to submit information in accordance with the one-day count to its fiscal intermediary. Hospitals excluded from the prospective payment system are required to submit information on interns and residents in accordance with the § 413.86 counting methodology. Similarly, it is difficult for the intermediary to detect situations where the September 1 count is not representative because the resident is assigned to the prospective payment hospital on September 1 but spends a portion of the year at an excluded or nonparticipating hospital (for example, a VA hospital).

We note that there are several important differences between the IME

and GME intern and resident counts. The first is that the IME count is limited to the time residents spend in either a part of the hospital subject to the prospective payment system or in the outpatient department of the hospital. Examples of settings where residents' time would be excluded from the IME count are distinct part units of the hospital that are excluded from the prospective payment system (such as psychiatric or rehabilitation units) and other separately certified hospital-based providers (such as a hospital-based SNF). This limitation does not apply to the GME count. Consequently, for purposes of the IME count, hospitals would be required to submit information to their intermediaries indicating the amount of time residents worked in either a part of the hospital subject to the prospective payment system or in an outpatient department. Residents' time spent in other areas would be excluded from the FTE count based on the proportion of time worked in those areas as compared to the total time necessary to fill a full-time residency slot.

A second difference between the two counts is that, on or after July 1, 1987, in determining the GME count, hospitals may consider the time residents spend in nonprovider settings such as freestanding clinics, nursing homes, and physicians' officers in connection with approved programs in determining the resident FTE count provided certain criteria are met. These residents may not be counted for IME purposes. Third, section 1886(h) of the Act specifies a weighting factor to be applied to the resident FTE count for GME. This factor is based on whether the resident is beyond his or her initial residency period. There is no weighting factor applied to the resident FTE count for indirect medical education.

The information required to be collected for IME would also be slightly different from that collected for GME. The major difference would be the need for documentation of the time the residents are assigned to a setting other than the inpatient area subject to the prospective payment system or the outpatient department. Some of the information required under GME would not be required for IME, such as that information required under paragraphs 413.86(f)(2)(ii), (v), (vi), and (vii). These primarily concern the collection of data for determining residents' initial residency period for applying the weighting factor. We are proposing to include in § 412.118 all the requirements for collection of information necessary for determining the IME adjustment.

F. Offset for Physician Assistant Services (§ 412.120)

Under section 1861(s)(2)(K)(i) of the Act as added by section 9338 of Public Law 99-509, payment is made under part B for services provided by a physician assistant who is legally authorized to furnish these services in his or her State and who furnishes these services under the supervision of a physician in a variety of settings including hospitals. In addition, under section 1861(s)(2)(K)(i) of the Act, a physician assistant can perform covered services that would ordinarily be performed by a physician and he or she can serve as an assistant-at-surgery. These services must be performed incident to physician services. Limitations on the reasonable charge methodology apply depending on the type of service furnished by the physician assistant.

Before January 1, 1987, a hospital could not bill directly for physician assistant and assistant-at-surgery services. However, section 9338 of Pub. L. 99-509 allows the employer of a physician assistant to bill directly under part B for these services furnished on or after January 1, 1987 if the employer is eligible to receive reasonable charge payments. In addition, under sections 1842(b)(6)(C) and (b)(12)(A) of the Act, payment for physician assistant and assistant-at-surgery services is made only to the employer on an assignment-related basis.

Since the beginning of the prospective payment system, inpatient services incident to physician services could no longer be directly billed under part B, but payment for these services was included in the DRG payments. An adjustment was made to the prospective payment rates to account for the estimated costs of inpatient services previously billed under part B. Therefore, even though an employer may currently bill directly for physician assistant services, the costs of these services furnished on an inpatient hospital basis is still reflected in the DRG payment rates. This results in duplicate payments for physician assistant services. To eliminate these duplicate payments, section 9338(d) of Pub. L. 99-509 allows the Secretary to reduce the amount of payments made to a hospital under the prospective payment system.

We propose to eliminate the duplicate payments for physician assistant services. That is, we propose to implement an offset to DRG payments for direct billings for services performed by physician assistants furnished in the part of the hospital that is subject to the prospective payment system. The offset would be made periodically by the intermediary based on 100 percent of the reasonable charges paid to the hospital or other entity that employs the physician assistant for these services.

We propose to amend the regulations at § 412.120 to require the hospital's intermediary to obtain the appropriate physician assistant billing data from the Part B carrier. The intermediary would calculate the amount to be offset from the hospital's payment based on the total physician assistant and assistant-at-surgery services performed on or after October 1, 1990 in portions of the hospital subject to the prospective payment system.

VI. Other ProPAC Recommendations

We have reviewed the March 1, 1990 report submitted by ProPAC and have given its recommendations careful consideration in conjunction with the proposals set forth in this document. Recommendations 1 and 3 through 5 concerning the update factors are discussed in Appendix D of this document. Recommendations 2 and 6 concerning the market basket are discussed in section IV of this preamble. Recommendation 8 concerning improving the area wage index is discussed in section III of this preamble. Recommendation 12 concerning reassignment of patients with Guillain-Barre syndrome is discussed in section II.B of this preamble. The remaining recommendations are discussed below.

A. Adjusting the Prospective Payment Formula Indirect Medical Education Adjustment (Recommendation 7)

Recommendation: The Secretary should seek legislation to reduce the indirect medical education adjustment from its current level of 7.7 percent to 6.8 percent for FY 1991. This reduction should be implemented in a budget neutral fashion, with the savings returned to all hospitals through corresponding increases in the standardized amounts.

Response: We agree that the indirect medical education adjustment should be reduced from its current level. The President's Budget for FY 1991 includes a proposal to set the adjustment at approximately 4.05 percent. This figure represents our estimate of the actual impact of the indirect effects of teaching activity on hospital costs. Analyses done by the Congressional Budget Office and the General Accounting Office as well as ProPAC have also estimated these effects at levels substantially below 7.7 percent. ProPAC's most recent estimate is below our 4.05 percent figure. That is, ProPAC estimates that for every

0.1 increase in the ratio of interns and residents to beds, Medicare cost per case for teaching hospitals is 3.2 percent higher than the cost for nonteaching hospitals.

ProPAC attributes some of the decline in the indirect costs of teaching activity from previous estimates to the improvements made in measuring hospital case-mix. The cost associated with the higher overall severity of illness among patients admitted to teaching hospitals is widely believed to be partially reflected in the indirect medical education adjustment. As refinements have been made to the DRGs that reflect more closely the resources necessary to treat certain patients, more of the variation in costs between teaching and nonteaching hospitals is measured by case-mix rather than the indirect medical education adjustment.

We disagree, however, with that aspect of ProPAC's recommendation that would initially reduce the adjustment to 6.8 percent for FY 1991. This would constitute the first of a proposed 5-year phase-out of the difference between the current 7.7 and ProPAC's estimated 3.2 percent. The justification given for the gradual reduction is that the total margins for major teaching hospitals are significantly lower than for other teaching and nonteaching hospitals, and, therefore, they may be adversely affected by a precipitous drop in the adjustment.

Teaching hospitals have consistently had much higher Medicare operating margins than nonteaching hospitals. In FY 1988, the most recent year for which data are available, major teaching hospitals had average Medicare operating margins of 14.3 percent while minor teaching hospitals had Medicare operating margins of 3.7 percent. These Medicare profit margins are significantly higher than the average Medicare operating margin for all hospitals (2.2 percent). These data clearly indicate that teaching hospitals are doing better under Medicare than other classes of hospitals and, more importantly, that Medicare payments are subsidizing teaching hospitals.

We recognize that teaching hospitals tend to have lower total margins than other hospitals. However, prospective payment rates and adjustments to those rates are based on estimates of the resources required to furnish services to Medicare patients. They are not based on operating margins or any other measure of financial status. Moreover, we do not believe that Medicare payments should be used to compensate hospitals for losses they sustain in their non-Medicare operation. Therefore, we believe it is appropriate, for Medicare payment purposes, to reduce the adjustment immediately to a level that more closely reflects the actual impact of teaching activities on hospital costs. We note that the 4.05 percent factor is higher than ProPAC's 3.2 percent estimate of effects of every 0.1 percent increase in the rates of interns and residents to beds on Medicare costs per case. Further, because payments to other hospitals are adequate, the money saved through reducing the indirect medical education adjustment should be retained as budget savings, rather than redistributed among all hospitals as proposed by ProPAC.

B. Improving Patient Classification

1. Improving the DRG System for Measuring Case Mix (Recommendation 9)

Recommendation: ProPAC strongly urges the Secretary to continue developing and evaluating improvements in the measurement of hospital case mix and patient resource use.

Response: We agree with ProPAC that the ability to identify and discriminate among groups of patients that require different amounts and mixtures of hospital inpatient services is crucial in making accurate and equitable payments to hospitals under the prospective payment system.

Case-mix measurement depends in large part on accurate coding to ensure appropriate classification of each case. The ICD-9-CM Coordination and Maintenance Committee maintains and updates the codes that support the DRG classification system. New codes, errata, addenda, and other modifications to the ICD-9-CM reflect new procedures and technologies and newly identified diseases. HCFA's role and function in this Committee and other coding involvement is discussed in detail elsewhere in this preamble. (See section II.B, above, and our response to Recommendation 10, below.)

In addition to accurately coded cases, groupings that classify patients who are similar both clinically and in terms of resource use ensure that case mix will be reflected in accurate payment to hospitals. We analyze resource consumption and clinical cohesiveness within and between DRG groups on an ongoing basis. In this way, changes in types of patients or changes in treatment that result in greater or lesser resource use are identified. DRGs are recalibrated annually to reflect the use of new technologies and practice pattern changes affecting relative use of hospital resources among DRGs. Our commitment to DRG refinement is evidenced in the modifications proposed in this document, as well as in changes made in prior years. Many of the refinements of DRGs that have been made have contributed substantially to improvements in case-mix measurement. ProPAC has contributed to these improvements through its recommendations and analysis.

We are continuing to analyze alternatives to the DRG classification system and modifications to the existing system that would increase clinical and resource homogeneity within DRGs. Among those methodologies being evaluated, the most familiar are the Yale DRG Refinement and the model used by New York. Several of the DRG modifications proposed in this document have, in large measure, been based on the New York model. The use of comorbidity and complicating conditions (CCs) is fundamental to the Yale DRG Refinement and to the New York model. These CCs serve as one criterion for evaluating severity of illness. A number of systems that include other severity indicators are also being evaluated.

Section 6003(i) of Public Law 101-239 provides for the Secretary to submit to Congress by October 1, 1990 a legislative proposal to eliminate the differential in the average standardized amounts used to make payment under the prospective payment system. That report is also to include results of our analysis and evaluation of the alternative methodologies to account for within DRG severity differences.

2. Improving Medical Record Coding, Reporting, and DRG Assignment (Recommendation 10)

Recommendation: The Secretary should continue to improve the ICD-9-CM coding system to allow for more accurate clinical reporting. ProPAC continues to support a more timely, systematic, and consultative approach to the consideration of new ICD-9-CM codes and urges that improvements made to ICD-9-CM be carried forward into ICD-10. In addition, the Secretary should revise the Uniform Billing Form (UB-82) to allow reporting of 10 diagnosis codes and 10 procedures codes.

Response: As discussed in detail above in section II.B.9 of this preamble, the International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM) Coordination and Maintenance Committee is a Federal interdepartmental committee charged with the mission of maintaining

and updating the ICD-9-CM. The Committee is co-chaired by the National Center for Health Statistics (NCHS) and HCFA. Membership of the Committee is comprised of representatives from Federal agencies who actively use the ICD-9-CM in their programs (the Public Health Service, HCFA, the Department of Veterans Affairs, and the Department of Defense). Contary to ProPAC's statement in its report, the American Hospital Association (AHA) is not represented on the Committee.

During each Federal fiscal year, the Committee holds three public meetings during which coding changes are discussed. Meetings of the Committee are open to the public and the public is invited and encouraged to participate in the process through submission of agenda items and active participation in the public meetings. We have requested that agenda items be submitted for consideration at least 2 months prior to the scheduled meeting. At least 1 month prior to each meeting, an announcement of the meeting date, time, place, and agenda is made in the **Federal Register**. In addition, a mailing list of interested parties is maintained so that copies of the meeting announcements may be individually forwarded. Summaries of the meetings are also mailed out to those on the mailing list.

Each agenda item is fully discussed at the public meetings where all attendees are encouraged to share their knowledge and opinions. The Committee encourages input into coding matters from representatives of recognized organizations in the coding fields, such as the American Medical Record Association (AMRA) and the AHA, as well as physicians, medical record administrators, and other members of the public. Considering the opinions expressed at the public meetings along with public correspondence received within 30 days after the meetings, the Committee formulates recommendations, which then must be approved by the agencies. The Committee's role is advisory. Final decisions are jointly made by the Director of the NCHS and the Administrator of HCFA.

Currently, there are a number of organizations and individuals that publish coding advice. The only publication endorsed by HCFA is Coding Clinic for ICD-9-CM (Coding Clinic), published by AHA for use by hospitals. Coding Clinic provides specific diagnostic information and guidelines that are helpful for determining proper diagnostic coding.

In 1985, the Editorial Advisory Board of Coding Clinic identified four organizations whose representatives have responsibility for review and approval of the contents of this publication. These four cooperating organizations are AHA, AMRA, HCFA, and NCHS. Final approval requires unanimous agreement by the cooperatng parties. Physicians are consulted and attend Editorial Advisory Board meetings to discuss issues considered for publication. The physicians provide advice and recommendations on certain classification needs or interests. Subscriptions for Coding Clinic may be ordered by writing to the following address:

American Hospital Association, Division of Quality Control Management, 840 N. Lake Shore Drive, Chicago, IL 60611.

The subcription rate is $85.00 per year for AHA members and $135.00 for nonmembers. Refer to publication ISSN 0742-9800.

The World Health Organizaton (WHO) revises ICD on a regular basis to describe current medical practice more accurately. When WHO recently began revising ICD-9 in preparaton for publication of ICD-10, they secured a copyright on ICD-10. This would have severely limited the Committee's ability to make modifications or adaptations appropriate for use in the United States. The Clinical Modification was made to ICD-9 to include extensive detail in many disease categories for recording exact morbidity data.

Because ICD-9-CM is the basis of classifying patients for the prospective payment system, HCFA recognized the need to have the flexibility to make clinical modifications to ICD-10. HCFA officials negotiated a copyright agreement with WHO officials so that the Federal Government is authorized to make any changes necessary in order to use the system within the jurisdiction of the United States without being in violation of the copyright. The agreement clearly delineates all areas covered by the statement.

NCHS has the lead responsibility for reviewing ICD-10 and developing the mortality guidelines. NCHS and HCFA will be jointly reviewing ICD-10 from the morbidity application. There will be a careful review of ICD-10 to determine the impact on the prospective payment system. HCFA has already begun the initial planning for implementation of ICD-10.

The Commitee will continue to play a vital role in coding issues when ICD-10 is implemented. We anticipate that the system that has been in place for revisions and modifications to ICD-9-CM will facilitate ICD-10 modifications as well.

As always, we reply on public scrutiny and response to react to coding issues most effectively. It is mutually beneficial to HCFA and the public when the public actively participates and responds to coding concerns. Suggestions or comments on ICD-9-CM should be sent to the addresses set forth above in section II.B.9 of this preamble.

With regard to the suggestion that the diagnosis and procedure code fields on the UB-82 be expanded, we intend to implement a revised form that allows the reporting of 10 codes in each field for use in reporting discharges occurring on or after October 1, 1990. We agree with ProPAC that this information is necessary to ensure complete medical information reporting.

3. Improving the Use of Complications and Comorbidities (CCs) for DRG Assignment (Recommendation 11)

Recommendation: The Secretary should continue the ongoing effort to refine the DRGs to improve clinical specificity. The current structure of the DRGs uses the presence of CCs to classify patients with respect to resource use. The Secretary should undertake a systematic evaluation of the codes in the CC list, with special attention to improving codes that would assign seriously ill patients to categories that would better reflect their resource requirements.

Response: We agree with ProPAC's recommendation that the CC list should be evaluated on an ongoing basis, and we do refine the list of diagnoses to be defined as CCs on an ongoing basis. We are also proposing a substantial number of revisions to the DRGs for FY 1991 (see detailed discussion above in section II.B of this preamble).

Since ProPAC first recommended in its April 1, 1987 report that we should improve the list of CCs and its use in defining DRGs, we have made several changes. One of the major improvements was the development of the CCs Exclusions List, which was implemented on October 1, 1987. The CC Exclusions List improves the use of the CCs in DRG assignment by excluding certain diagnoses as CCs when present with certain principal diagnoses that are closely related or inconsistent. This list was developed by systematically evaluating hundreds of codes using guidelines defined in the September 1, 1987 final notice concerning changes to the DRG classification system (53 FR 33143).

We have continued to evaluate diagnoses for addition or deletion as a CC, or for exclusion as a CC when present with certain principal diagnoses. The CC list, including the exclusions,

has since been refined annually based on clinical and statistical analysis. Proposed changes are identified by associations, the hospital industry, individuals, our medical consultants, and ProPAC, among others. Diagnosis codes that represent clinical conditions for which hospital resource use would be increased when they occurred in patients admitted for other reasons are proposed as additions to the CC list. Our medical consultants review these proposals from a clinical perspective, and, if the proposal is deemed clinically valid, the suggested change is evaluated empirically using MEDPAR data. The evaluation involves the analysis of the charges and length of stay of cases with and without the diagnoses being considered for addition or deletion as a CC or as an exclusion. We propose only those changes to the CC list that are supported by charge and length of stay data.

We have also analyzed the importance of CCs in DRGs not currently partitioned by the presence or absence of CCs. We are not proposing any additional changes in this document as further analysis is needed. We will reevaluate the importance of CCs in the nonpaired DRGs as part of our analysis of the most appropriate DRG groupings in our ongoing research concerning potential methodologies for incorporating severity measures into the prospective payment system.

We do not intend to propose implementing a system based on an expanding use of CCs until we complete further refinements to the CC list. We have analyzed preliminary data on the impact of the Yale DRG refinement model and the New York Grouper, both of which use CCs to improve the DRG classification system. However, we agree with ProPAC that further analysis of the CC list is needed before a system that places increased reliance on CCs could be implemented. We will be conducting further analysis during the coming year, with particular attention to CCs that could be considered major or catastrophic.

C. Improving the Data Used for Decision Making

1. Improving the Medicare Cost Report Data Used for Calculating Total Margins (Recommendation 13)

Recommendation: The Secretary should place more emphasis on auditing and processing the income statement section of the Medicare Cost Report.

Response: We recognize that the Medicare cost report provides potentially valuable information on the overall financial viability of hospitals and we agree that it would be desirable to increase the accuracy of the data used to compute total margins. However, this would involve audit of patient revenue data from all payers as well as revenue from nonpatients care activities. Given the limited funds available for audit activities, we believe our priorities must be concentrated on those data and cost elements that directly affect Medicare payment and that it would not be appropriate to divert audit resources to include the review of the income statement at the present time. We do, however, look forward to reviewing ProPAC's technical report to see if improvements could be made in the data without expanding the audit effort through, for example, more comprehensive cost report instructions.

2. Improving Information on Medicare Beneficiaries (Recommendation 14)

Recommendation: The Secretary should collect more comprehensive and timely information on Medicare beneficiaries, including utilization, expenditures, sources of payment, insurance coverage (including out-of-pocket costs), and beneficiary satisfaction and perceptions. The Commission believes that the current approach for collecting this information is not adequate for effective policy development.

Response: We agree with the Commission's recommendation and acknowledge its support for the Current Beneficiary Survey. It will be an ongoing, multipurpose survey that will sample the Medicare population with respect to patterns of utilization and cost over time, sources of coverage and payment, income and assets, demographic characteristics, health and functional status, health and work history, and family supports. The survey will follow up on individuals over a period of time and will be able to provide rapid feedback for purposes of policymaking. We expect that the Current Beneficiary Survey, when implemented, will serve the information needs noted by the Commission.

3. Linking Data on Hospital and Physician Procedure Volume (Recommendation 15)

Recommendation: The Commission urges the Secretary to begin developing a database that would allow examination of the total volume of selected procedures performed in a hospital. Such a database should include the number of procedures performed by physicians in each hospital in which they practice. It should include data from Medicare and other payers.

Response: We agree that development of a data base to link hospital and physician procedures performed would constitute a useful tool for policy analysis and development. However, such a data base would impose additional reporting requirements on hospitals. At this time, we do not believe that it would be appropriate to impose those requirements.

VII. Other Required Information

A. Paperwork Reduction Act

This proposed rule does not impose information collection requirements. Consequently, it need not be reviewed by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501–3511).

B. Requests for Data from the Public

In order to respond promptly to public requests for data related to the prospective payment system, we have set up a process under which commenters can gain access to the raw data on an expedited basis. Generally, the data are available in computer tape format and are listed below with the cost of each tape. Anyone wishing to purchase data tapes should submit a written request along with a check (payable to HCFA) to cover the cost of the tapes or diskettes to the following address:

HCFA Office of Statistics and Data Management, Bureau of Data Management and Strategy, Room 3–A–12 Security Office Park Building, 6325 Security Boulevard, Baltimore, MD 21207.

1. Expanded Modified MEDPAR File

The file contains records for 100 percent of Medicare beneficiaries using hospital inpatient services. The file is stripped of most data elements that would identify beneficiaries. The hospitals are identified. The file is available to persons qualifying under the terms of the Notice of Proposed New Routine Use for an Existing System of Records published in the **Federal Register** on December 24, 1984 (49 FR 49941), which was amended by the July 2, 1985 Notice of Proposed New Routine Use for an Existing System of Records (50 FR 27361). Under the requirements of these notices, a data use agreement must be signed by the purchaser before release of these data.

Periods Available: FY 1984 through FY 1989
Price: $2,870.00 for each fiscal year

2. HCFA Hospital Wage Index Survey

Wage indexes for acute care hospitals are used to adjust payments in the prospective payment system. Wage index files include the following data items for each hospital: provider number, intermediary number, beginning and ending dates of the cost reporting period, total gross hospital salaries, total paid hours, and state and county codes. These files are generated upon special request.

Periods Available: Cost reporting periods ending in calendar year 1982 and 1988 and cost reporting periods ending in Federal fiscal year 1984.
Price: $410.00

3. H180 Extract, Cost Reporting Periods Ending January 1, 1982 through September 29, 1983

This file contains the target amount computations that provide the basis for the determination of the final prospective payment system hospital-specific rates and rate-of-increase limits hospital-specific target amounts per case.

Price: $590.00

4. TEFRA Minimum Data Set, Cost Reporting Periods Ending September 30, 1983 through September 29, 1984

The TEFRA Minimum Data Set contains cost, statistical, financial, and other information from the Medicare hospital cost report (HCFA Form 2552-83). There is a single record for each of 6,679 Medicare certified hospitals. This data set includes capital-related cost (fixed and moveable) information used in the early analyses of prospective capital payment. Most of these files are taken from cost reports that have been settled by the intermediaries.

Price: $590.00

5. PPS-I Minimum Data Set, Cost Reporting Periods Ending September 30, 1984 through September 29, 1985

The PPS-I Minimum Data Set contains cost, statistical, financial, and other information from the Medicare hospital cost report (HCFA Form 2552-84). There is a single record for each Medicare participating hospital. The data files include submitted, final, settled, and reopened cost reports received from the intermediary.

Price: $590.00

6. PPS-II Minimum Data Set, Cost Reporting Periods Ending September 30, 1985 through September 29, 1986

The PPS-II Minimum Data Set contains cost, statistical, financial, and other information from the Medicare hospital cost report (HCFA Form 2552-85). There is a single record for each Medicare participating hospital. The data set includes submitted, final, settled, and reopened cost reports received from the intermediaries.

Price: $590.00

7. PPS-III Minimum Data Set, Cost Reporting Periods Ending September 30, 1986 through September 29, 1987

The PPS-III Minimum Data Set contains cost, statistical, financial, and other information from the Medicare hospital cost report (HCFA Form 2552-86). There is a single record for each Medicare participating hospital. The data set includes submitted, final, settled, and reopened cost reports received from the intermediaries.

Price: $590.00

8. PPS-IV Minimum Data Set, Cost Reporting Periods Ending September 30, 1987 through September 29, 1988

The PPS-IV Minimum Data Set contains cost, statistical, financial, and other information from the Medicare hospital cost report (HCFA Form 2552-85). There is a single record for each Medicare participating hospital. The data set includes submitted, final, settled, and reopened cost reports received from the intermediaries.

Price: $590.00

9. PPS-V Minimum Data Set, Cost Reporting Periods Ending September 30, 1988 through September 29, 1989

The PPS-V Minimum Data Set contains cost, statistical, financial, and other information from the Medicare hospital cost report (HCFA Form 2552-85). There is a single record for each Medicare participating hospital. The data set includes submitted, final, settled, and reopened cost reports received from the intermediaries.

Price: $590.00

10. Provider-Specific Variable File

This file is a component of the PRICER program used in an intermediary's system to compute individual DRG payments. The file contains records for all prospective payment system hospitals and short-stay acute care hospitals in waiver States, and data elements used in standardizing hospital charges for recalibration and in simulating payments to hospitals.

Periods Available: 1987 and 1988
Price: $410.00.

11. HCFA Medicare Case—Mix Index File 5¼" Diskette)

This file contains the hospital provider number and the Medicare case-mix index as published in each year's update of the Medicare Hospital Prospective Payment System (PPS).

Periods available: FY 1985 through FY 1988
Price: $110.00 per file/per year

12. Table-5 DRG (5¼" Diskette)

This file contains a listing of DRGs, DRG narrative description, relative weight, geometric mean, length of stay, and day outlier trim points as published in the **Federal Register.**

Price: $110.00

13. AOR/BOR File

This listing contains data used to develop the DRG relative weights. It contains mean, maximum, minimum, standard deviation and coefficient of variation statistics by DRG for length of stay and standardized charges. The BOR tables are "Before Outliers Removed" and the AOR is "After Outliers Removed." (This refers to statistical outliers, not payment outliers.)

Price: $50.00 per copy

For further information concerning these data tapes, contact Rose Connerton at (301) 597-5151.

In addition, certain other data, such as area wage data and data used to construct the Puerto Rico standardized amounts, are available in hard copy format. Commenters interested in examining hard copy data should contact Lana Price at (301) 966-4534.

We believe that commenters may be interested in obtaining data other than those we have discussed above. These commenters should direct their requests to Lana Price at the number provided above.

Finally, in lieu of obtaining data through the mail, certain data may also be available for inspection at the central office of the Health Care Financing Administration in Baltimore, Maryland. Commenters interested in obtaining more information about this alternative for reviewing data should also contact Lana Price.

C. Public Comments

Because of the large number of items of correspondence we normally receive on a proposed rule, we are not able to acknowledge or respond to them individually. However, in preparing the final rule, we will consider all comments concerning the provisions of this proposed rule that we receive by the date and time specified in the "Dates"

section of this preamble and respond to those comments in the preamble to that rule. We emphasize that, given the statutory requirement under section 1886(e)(5) of the Act that our final rule for FY 1991 be published by September 1, 1990, we will consider only those comments that deal specifically with the matters discussed in this proposed rule.

List of Subjects in 42 CFR Part 412

Health facilities, Medicare.

42 CFR chapter IV would be amended as set forth below:

CHAPTER IV—HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Subchapter B—Medicare Program

I. Part 412 is amended as follows:

PART 412—PROSPECTIVE PAYMENT SYSTEM FOR INPATIENT HOSPITAL SERVICES

A. The authority citation for part 412 is revised to read as follows:

Authority: Secs. 1102, 1815(e), 1871, and 1886 of the Social Security Act (42 U.S.C. 1302, 1395g(e), 1395hh, and 1395ww).

B. Subpart A is amended as follows:

Subpart A—General Provisions

1. In § 412.1, paragraph (a) is revised to read as follows:

412.1 Scope of part.

(a) *Purpose.* This part implements section 1886(d) of the Act by establishing a prospective payment system for inpatient hospital services furnished to Medicare beneficiaries in cost reporting periods beginning on or after October 1, 1983. Under the prospective payment system, payment for the operating costs of inpatient hospital services furnished by hospitals subject to the system (generally, short-term, acute-care hospitals) is made on the basis of prospectively determined rates and applied on a per discharge basis. Payment for other costs related to in-patient hospital services (capital-related costs, organ acquisition costs incurred by hospitals with approved organ transplantation centers, and direct costs of medical education) is made on a reasonable cost basis. Additional payments are made for outlier cases, bad debts, indirect medical education costs, and for serving a disproportionate share of low-income patients. Under the prospective payment system, a hospital may keep the difference between its prospective payment rate and its operating costs incurred in furnishing inpatient services, and is at risk for operating costs that exceed its payment rate.

* * * * *

2. In § 412.2, the introductory text in paragraph (d) is republished and paragraph (d)(4) is revised to read as follows:

§ 412.2 Basis of payment.

* * * * *

(d) *Excluded costs.* The following inpatient hospital costs are excluded from the prospective payment amounts and paid on a reasonable cost basis:

* * * * *

(4) Heart, kidney, and liver acquisition costs incurred by approved transplantation centers.

C. In subpart B, § 412.23, the introductory language is republished; paragraphs (f) and (g) are redesignated as paragraphs (g) and (h), respectively; and a new paragraph (f) is added to read as follows:

Subpart B—Hospital Services Subject to and Excluded From the Prospective Payment System

§ 412.23 Excluded hospitals: Classification.

Hospitals that meet the requirements for the classifications set forth in this section may not be reimbursed under the prospective payment system.

* * * * *

(f) *Cancer hospitals.* If a hospital meets the following criteria, it is classified as a cancer hospital and is excluded from the prospective payment system for its first cost reporting period beginning on or after October 1, 1989, except that a hospital classified after December 19, 1989 is excluded for its first cost reporting period beginning after the date of its classification:

(1) It was recognized as a comprehensive cancer center or clinical cancer research center by the National Cancer Institute of the National Institutes of Health as of April 20, 1983.

(2) It is classified on or before December 31, 1990, or, if on December 19, 1989, the hospital was located in a State operating a demonstration project under section 1814(b) of the Act, the classification is made on or before December 31, 1991.

(3) It demonstrates that the entire facility is organized primarily for treatment of and research on cancer (that is, the facility is not a subunit of an acute general hospital or university-based medical center).

(4) It shows that at least 50 percent of its total discharges have a principal diagnosis that reflects a finding of neoplastic disease. (The principal diagnosis for this purpose is defined as the condition established after study to be chiefly responsible for occasioning the admission of the patient to the hospital. For the purposes of meeting this definition, only discharges with ICD-9-CM principal diagnosis codes of 140 through 239, V58.0, V58.1, V66.1, V66.2, or 990 will be considered to reflect neoplastic disease.)

* * * * *

D. Subpart D, § 412.63(k), is revised to read as follows:

Subpart D—Basic Methodology for Determining Federal Prospective Payment Rates

§ 412.63 Federal rates for fiscal years after Federal fiscal year 1984.

* * * * *

(k) *Adjusting for different area wage levels.* (1) HCFA adjusts the proportion (as estimated by HCFA from time to time) of Federal rates computed under paragraph (j) of this section that are attributable to wages and labor-related costs for area differences in hospital wage levels by a factor (established by HCFA based on survey data) reflecting the relative hospital wage level in the geographic area (that is, urban or rural area as determined under the provisions of paragraph (b) of this section) of the hospital compared to the national average hospital wage level.

(2) If an error is discovered in the survey data that results in a change to the wage index value for an area, the revised wage index value is effective prospectively from the date the change to the wage index is made.

(3) Revisions to the wage index resulting from midyear corrections to the wage index values are incorporated in the wage index values for other areas at the beginning of the next Federal fiscal year.

(4) The effect on program payments of midyear corrections to the wage index values is taken into account in establishing the standardized amounts for the following Federal fiscal year.

E. Subpart G is amended as follows:

Subpart G—Special Treatment of Certain Facilities

§ 412.90 [Amended]

1. In § 412.90, paragraph (b) is removed; and paragraphs (c) through (i) are redesignated as paragraphs (b) through (h).

2. In § 412.92, the introductory text of paragraph (a) is republished; a new paragraph (a)(4) is added; and paragraphs (f) and (g) are removed.

§ 412.92 Special treatment: Sole community hospitals.

(a) *Criteria for classification as a sole community hospital.* HCFA classifies a hospital as a sole community hospital if it is located in a rural area (as defined in § 412.63(b)) and meets one of the following conditions:

* * * * *

(4) Because of distance, posted speed limits, and predictable weather conditions, the travel time between the hospital and the nearest like hospital is at least 45 minutes.

* * * * *

§ 412.94 [Removed]

3. Section 412.94 is removed.

4. In § 412.96, paragraphs (f)(3), (g), and (h) are redesignated as paragraphs (g)(2), (h), and (i), respectively; a new paragraph (g)(1) is added; the title of newly redesignated paragraph (g)(2) is revised; and a new paragraph (g)(3) is added to read as follows:

§ 412.96 Special treatment: Referral centers.

* * * * *

(g) *Cancellation of referral center status*—(1) *General rule.* Referral center status can be cancelled by HCFA under the criteria in paragraph (g)(2) of this section or by the hospital under the criteria in paragraph (g)(3) of this section.

(2) *HCFA cancellation of referral center status.* If a hospital does not meet either of the retention criterion in paragraph (f)(2) of this section and no longer qualifies for a referral center adjustment, HCFA discontinues the adjustment beginning on the first day of the hospital's next cost reporting period beginning on or after October 1, 1992.

(3) *Hospital cancellation of referral center status.* (i) A hospital may at any time request cancellation of its status as a referral center and be paid prospective payments per discharge based on the applicable rural rate as determined in accordance with § 412.63 as adjusted by the hospital's area wage index value.

(ii) The cancellation becomes effective no later than 30 days after the date the hospital submits its request.

(iii) If a hospital requests that its referral center status be cancelled, it may not be reclassified as a referral center unless it meets the qualifying criteria set forth in paragraph (a) of this section in effect at the time it reapplies.

F. Subpart H is amended as follows:

Subpart H—Payments to Hospitals Under the Prospective Payment System

1. In § 412.113, paragraph (d) is revised to read as follows:

§ 412.113 Payments determined on a reasonable cost basis.

* * * * *

(d) *Heart, kidney, and liver acquisition costs incurred by hospitals with approved transplantation centers.* Payment for heart, kidney, and liver acquisition costs incurred by hospitals with approved transplantation centers is made on a reasonable cost basis.

2. In § 412.118, paragraph (f) is revised; the existing paragraph (g) is removed; and paragraph (h) is redesignated as paragraph (g) to read as follows:

§ 412.118 Determination of indirect medical education adjustment.

* * * * *

(f) *Determining the total number of full-time equivalent interns and residents.*

(1) The count of full-time equivalent interns and residents for the purpose of determining the indirect medical education adjustment is determined as follows:

(i) The intern or resident must be enrolled in an approved teaching program. An approved teaching program is one that meets one of the following requirements:

(A) Is approved by one of the national organizations listed in § 405.522(a) of this chapter.

(B) May count towards certification of the participant in a specialty or subspecialty listed in the Directory of Residency Training Programs published by the American Medical Association.

(C) Is approved by the Accreditation Council for Graduate Medical Education (ACGME) as a fellowship program in geriatric medicine.

(ii) In order to be counted, the intern or resident must be working in the portion of the hospital subject to the prospective payment system or in the outpatient department of the hospital.

(iii) Full-time equivalent status is based on the total time necessary to fill an internship or residency slot. No individual may be counted as more than one full-time equivalent. If an intern or resident is assigned to more than one hospital, the intern or resident counts as a partial full-time equivalent based on the proportion of time worked in the portion of the hospital subject to the prospective payment system or the outpatient department of the hospital at the hospital to the total time worked by the resident. A part-time intern or resident or one working in an area of the hospital other than the portion subject to the prospective payment system (such as a freestanding family practice center or an excluded distinct part hospital unit) or the outpatient department would be counted as a partial full-time equivalent based on the portion of time worked in either a part of the hospital subject to the prospective payment system or the outpatient department, compared to the total time necessary to fill a full-time internship or residency slot.

(iv) Interns and residents in anesthesiology who are employed to replace anesthetists are not included in the count.

(2) To include an intern or resident in the full-time equivalent count for a particular cost reporting period, the hospital must furnish the following information. The information must be certified by an official of the hospital and, if different, an official responsible for administering the internship or residency program.

(i) A listing, by specialty, of all interns and residents assigned to the hospital and providing services to the hospital during the cost reporting period.

(ii) The name and social security number of each intern and resident.

(iii) The dates the intern or resident is assigned to the hospital.

(iv) The dates the intern or resident is assigned to other hospitals or other freestanding providers and any nonprovider setting during the cost reporting period.

(v) The proportion of the total time necessary to fill an internship or residency slot that the intern or resident is working in an area of the hospital subject to the prospective payment system or the outpatient department.

(3) Fiscal intermediaries must verify the correct count of interns and residents.

* * * * *

3. In § 412.120, paragraph (c) is revised to read as follows:

§ 412.120 Reductions to total payments.

* * * * *

(c) *Part B payment to physician assistants.* HCFA reduces payments or inpatient hospital services to take into account 100 percent of the reasonable charges (before application of Medicare Part B deductible and coinsurance amounts) for physician assistant services furnished to beneficiaries receiving inpatient hospital services in a part of the hospital subject to the prospective payment system.

(Catalog of Federal Domestic Assistance Program No. 13.773, Medicare—Hospital Insurance)

Dated: April 29, 1990.

Gail R. Wilensky,

Administrator, Health Care Financing Administration.

Approved: May 1, 1990.

Louis W. Sullivan,

Secretary.

Editorial Note: The following addendum and appendixes will not appear in the Code of Federal Regulations.

Addendum—Proposed Schedule of Standardized Amounts Effective With Discharges On or After October 1, 1990 and Update Factors and Target Rate Percentages Effective With Cost Reporting Periods Beginning On or After October 1, 1990

I. Summary and Background

In this addendum, we are proposing changes in the amounts and factors for determining prospective payment rates for Medicare inpatient hospital services. We are also proposing new target rate percentages for determining the rate-of-increase limits (target amounts) for hospitals and hospital units excluded from the prospective payment system.

For discharges occurring on or after October 1, 1990, except for sole community hospitals, Medicare-dependent small rural hospitals, and hospitals located in Puerto Rico, each hospital's payment per discharge under the prospective payment system will be comprised of 100 percent of the Federal national rate.

For cost reporting periods that began before April 1, 1990, sole community hospitals are paid on the basis of a rate per discharge composed on 75 percent of the hospital-specific rate and 25 percent of the applicable Federal regional rate (section 1886(d)(5)(C)(ii) of the Act). For cost reporting periods beginning on or after April 1, 1990, sole community hospitals and Medicare-dependent small rural hospitals are paid based on whichever of the following rates yields the greatest aggregate payment: the Federal national rate (subject to the regional floor for discharges occurring before October 1, 1990), the updated hospital-specific rate based on FY 1982 cost per discharge, or their updated hospital-specific rate based on FY 1987 cost per discharge. Hospitals in Puerto Rico are paid on the basis of a rate per discharge composed of 75 percent of the Puerto Rico rate and 25 percent of a national rate (section 1886(d)(9)(A) of the Act).

As discussed below in section II, we are proposing to make changes in the determination of the prospective payment rates. The changes, to be applied prospectively, would affect the calculation of the Federal rates. Section III sets forth our proposed changes for determining the rate-of-increase limits for hospitals excluded from the prospective payment system. The tables to which we refer in the preamble to the proposed rule are presented at the end of this addendum in section IV.

II. Proposed Changes to Prospective Payment Rates For Hospitals for FY 1991

The basic methodology for determining prospective payment rates is set forth at § 412.63 for hospitals located outside of Puerto Rico. The basic methodology for determining the prospective payment rates for hospitals located in Puerto Rico is set forth at §§ 412.210 and 412.212. Below we discuss the manner in which we are proposing to change some of the factors used for determining the prospective payment rates. The Federal and Puerto Rico rate changes, once issued as final, would be effective with discharges occurring on or after October 1, 1990. As required by section 1886(d)(4)(C) of the Act, we will adjust the DRG classifications and weighting factors for discharges in FY 1991.

In summary, the proposed standardized amounts set forth in Tables 1a, 1b, and 1c of section IV of this addendum were—

- Adjusted to reflect labor and nonlabor portions in accordance with the rebased market basket;
- Updated by 5.2 percent (that is, the market basket percentage increase);
- Adjusted by the revised urban and rual outlier offsets;
- Adjusted to ensure budget neutrality as provided for in sections 1886(d)(4)(C)(iii) and 1886(d)(3)(E) of the Act; and
- Adjusted to ensure budget neutrality as provided for in sections 1886(d)(4)(C)(iii) and 1886(d)(8)(D) of the Act.

A. Calculation of Adjusted Standardized Amounts

1. Standardization of Base-Year Costs or Target Amounts

Section 1886(d)(2)(A) of the Act required the establishment of base-year cost data containing allowable operating costs per discharge of inpatient hospital services for each hospital. The preamble to the September 1, 1983 interim final rule (48 FR 39763) contains a detailed explanation of how base-year cost data were established in the initial development of standardized amounts for the prospective payment system and how they are used in computing the Federal rates.

Section 1886(d)(9)(B)(i) of the Act required that Medicare target amounts be determined for each hospital located in Puerto Rico for its cost reporting period beginning in FY 1987. The September 1, 1987 final rule contains a detailed explanation of how the target amounts were determined and how they are used in computing the Puerto Rico rates (52 FR 33043, 33066).

The standardized amounts are based on per discharge averages of adjusted hospital costs from a base period or, for Puerto Rico, adjusted target amounts from a base period, updated and otherwise adjusted in accordance with the provisions of section 1886(d) of the Act. Sections 1886 (d)(2)(C) and (d)(9)(B)(ii) of the Act required that the updated base-year per discharge costs and, for Puerto Rico, the updated target amounts, respectively, be standardized in order to remove from the cost data the effects of certain sources of variation in cost among hospitals. These include case mix, differences in area wage levels, cost of living adjustments for Alaska and Hawaii, indirect medical education costs, and payments to hospitals serving a disproportionate share of low-income patients.

Since the standardized amounts have already been adjusted for differences in case mix, wages, cost-of-living, indirect medical education costs, and payments to hospitals serving a disproportionate share of low-income patients, no additional adjustments for these factors for FY 1991 are proposed. That is, the standardization adjustments reflected in the FY 1991 proposed standardized amounts are the same as those reflected in the current (FY 1990) standardized amounts. However, in accordance with section IV of the preamble, we are proposing to use the rebased market basket as the basis for revising the labor and nonlabor portions of the standardized amounts. Thus for each hospital, instead of the current 74.39 percent labor portion and 25.61 percent nonlabor portion, we would use 71.41 percent and 28.59 percent, respectively.

Sections 1886 (d)(2)(H) and (d)(3)(E) of the Act require that, in making payments under the prospective payment system, the Secretary adjust the proportion (as estimated by the Secretary from time to time) of payments that are wage-related. Since October 1, 1986, when the market basket was rebased, we have considered 74.39 percent of costs to be labor-related for purposes of the prospective payment system.

In connection with the current rebasing of the hospital market basket we have, under the authority of the applicable section of the statute cited above, re-estimated the labor-related share of the standardized amounts. Based on the relative weights described in Table 2 of section IV of this Addendum to the proposed rule, the labor-related portion that is subject to hospital wage index adjustments (based on wages and salaries, employee benefits, professional fees, business services, computer and data processing, blood services, postage, and all other labor-intensive services) is 71.41 percent and the nonlabor-related portion is 28.59 percent. To implement this change, effective with discharges occurring on or after October 1, 1990, we recomputed the labor-related and nonlabor-related shares of each hospital's base year cost used to establish the standardized payment amounts.

The amounts in Table 1 of section IV of this Addendum to this proposed rule have been recomputed to reflect the revised labor-related and nonlabor-related portions. It should be noted that, because of the revision of the labor and nonlabor portions, the labor portions of the rates published in Table 1 of the addendum to this proposed rule have decreased from those currently in effect while the nonlabor portions have increased.

2. Computing Urban and Rural Averages Within Geographic Areas

In determining the prospective payment rates for FY 1984, section 1886(d)(2)(D) of the Act required that the average standardized amounts be determined for hospitals located in urban and rural areas of the nine census divisions and the nation. Under section 1886(d)(9)(B)(iii) of the Act, the average standardized amount per discharge for FY

1988 must be determined for hospitals located in urban and rural areas in Puerto Rico.

For cost reporting periods beginning before April 1, 1990, section 1886(d)(5)(C)(ii) of the Act specifies that a sole community hospital's Federal rate is based on 100 percent of the regional rate. Hospitals in Puerto Rico are paid a blend of 75 percent of the applicable Puerto Rico standardized amount and 25 percent of a national standardized payment amount.

Section 4002(c)(1) of the Omnibus Budget Reconciliation Act of 1987 (Pub. L. 100–203) amended section 1886(d)(3) of the Act to require the Secretary to compute three average standardized amounts for discharges occurring in a fiscal year beginning on or after October 1, 1987: one for hospitals located in rural areas; one for hospitals located in large urban areas; and one for hospitals located in other urban areas. Section 4002(b) of Public Law 100–203 amended section 1886(d)(2)(D) of the Act to define a "large urban area" as an urban area with a population of more than 1,000,000. In addition, section 4009(i) of Public Law 100–203 provides that a New England County Metropolitan Area (NECMA) with a population of more than 970,000 is classified as a large urban area. As required by section 1886(d)(2)(D) of the Act, population size is determined by the Secretary based on the latest population data published by the Bureau of nthe Census. Under that section, urban areas are referred to as "other urban areas."

Based on 1988 population estimates published by the Bureau of the Census, the current 46 large urban areas continue to meet the criteria to be defined as large urban areas for FY 1991. A list of those areas was set forth in the April 5, 1988 notice (at 53 FR 11138) concerning FY 1988 legislative changes that affect payment to hospitals. In addition, these areas are identified by an asterisk in Tables 4a and 4c. No additional areas were identified. Therefore, we are proposing no change in these areas for purposes of this proposed rule. If new population estimates are published by the Bureau of the Census before we publish the final rule, we would include any resulting additions to and deletions from the list of large urban areas in that rule.

Table la contains the three national standardized amounts that would continue to be applicable to most hospitals. Table 1b sets forth the 27 regional standardized amounts that would continue to be applicable to sole community hospitals with cost reporting periods beginning before April 1, 1990. Under section 1886(d)(9)(A)(ii) of the Act, the national standardized payment amount applicable to hospitals in Puerto Rico consists of the discharge-weighted average of the national rural standardized amount, the national large urban standardized amount, and the national other urban standardized amount (as set forth in Table 1a). The national average standardized amount for Puerto Rico is set forth in Table 1c. This table also includes the three standardized amounts that would be applicable to most hospitals in Puerto Rico.

The methodology for computing the national average standardized amounts is identical to the methodology for determining the regional amounts.

The Office of Management and Budget (OMB) may announce revised listings of the Metropolitan Statistical Area (MSA) and NECMA designations that are used in calculating the standardized amounts. If OMB makes an announcement before we issue the final rule, we will list the revised MSA/NECMA designations in the addendum to the final rule. Consistent with Medicare policy and our regulations at §412.63(b)(4), the changes in designation will be effective for discharges occurring on or after October 1, 1990.

3. Updating the Average Standardized Amounts

In accordance with section 1886(d)(3)(A) of the Act, we are proposing to update the large urban, other urban, and rural average standardized amounts and the hospital-specific rate (which applies only to sole community and Medicare-dependent small rural hospitals) using the applicable percentage increase specified in section 1886(b)(3)(B)(i) of the Act. The percentage increase to be applied is mandated under that section of the law as the estimated percentage increase in the hospital market basket for hospitals located in all areas. The percentage change in the market basket reflects the average change in the price of goods and services purchased by hospitals to furnish inpatient care. The most recent forecasted hospital market basket increase and, thus, the applicable percentage increase for FY 1991 is 5.2 percent.

Although the update factor for FY 1991 is set by law, we were required by section 1886(e)(3)(B) of the Act to report to Congress no later than March 1, 1990 on our initial recommendation of update factors for FY 1991 for both prospective payment hospitals and hospitals excluded from the prospective payment system. For general information purposes, we have included the report to Congress as Appendix C of this proposed rule. Our proposed recommendation on the update factors (which is required by sections 1886(e)(4) and (e)(5)(A) of the Act), as well as our responses to ProPAC's recommendations concerning the update factors, are set forth as Appendix D to this proposed rule.

4. Other Adjustments to the Average Standardized Amounts

a. *Rural hospitals deemed to be urban—budget neutrality adjustment.* Section 1886(d)(8)(B) of the Act provides that certain rural hospitals are deemed urban effective with discharges occurring on or after October 1, 1988. Section 1886(d)(8)(C) of the Act specifies that the wage index for those hospitals deemed urban will be determined based on the hypothetical effect their wage data would have on the wage index of the MSA to which they are redesignated. (See section III.F of this preamble for a further explanation.)

Section 1886(d)(8)(D) of the Act specifies two payment conditions that must be met. First, the FY 1991 urban standardized amounts are to be adjusted so as to ensure that total aggregate payments under the prospective payment system after implementation of the provisions of sections 1886(d)(8)(B) and (C) of the Act are equal to the aggregate prospective payments that would have been made absent these provisions. Second, the rural standardized amounts are to be adjusted to ensure that aggregate payments to rural hospitals not affected by these provisions neither increase nor decrease as a result of implementation of these provisions. The following adjustment factors, necessary to achieve the requisite budget neutrality constraints, were applied to the proposed standardized amounts:

Urban	Rural
.99933	.99958

b. *Recalibration of DRG weights and updated wage index—budget neutrality adjustment.* Section 1886(d)(4)(C)(iii) of the Act, as amended by section 6003(b) of Public Law 101–239, specifies that beginning in fiscal year 1991, the annual DRG reclassifications and recalibration of the relative weights must be made in a manner that ensures that aggregate payments to hospitals are not affected. As discussed in section II.C of the preamble to the proposed rule, we normalized the proposed recalibrated DRG weights by an adjustment factor so that the average case weight after recalibration is equal to the average case weight prior to recalibration. While this adjustment is intended to ensure that recalibration does not affect total payments to hospitals, our analysis indicates that the normalization adjustment does not achieve budget neutrality with respect to aggregate payments to hospitals.

Section 1886(d)(3)(E) of the Act, as amended by section 6003(h)(6) of Public Law 101–239, specifies that the hospital wage index must be updated based on new survey data no later than October 1, 1990 and on an annual basis beginning October 1, 1993. This provision also requires that any updates or adjustments to the wage index must be made in a manner that ensures that aggregate payments to hospitals are not affected by the change in the wage index.

To comply with the requirement of section 1886(d)(4)(C)(iii) that the DRG reclassification changes and recalibration of the relative weights be budget neutral and the requirement in section 1886(d)(E) of the Act that the updated wage index be implemented in a budget neutral manner, we compared aggregate payments using the FY 1990 relative weights and wage index to aggregate payments using the proposed FY 1991 relative weights and wage index. Based on this comparison, we computed a budget neutrality adjustment factor equal to .998207. We applied this budget neutrality adjustment factor to the standardized amounts.

In addition, we are proposing to apply the same adjustment factor to the hospital-specific rates that would be effective for cost reporting periods beginning on or after October 1, 1990. Unless we apply the same adjustment factor to the hospital-specific rates, we cannot meet the statutory requirement that aggregate payments neither increase nor decrease as a result of the

implementation of the proposed DRG weights and updated wage index. This is because payments to sole community hospitals and Medicare-dependent, small rural hospitals are affected by the changes in the DRG weights and in the wage index. These hospitals are paid based on whichever of the following yields the highest aggregate payment: The Federal rate, the updated FY 1982 hospital-specific rate, or the updated FY 1987 hospital-specific rate. In determining payment, both the Federal rate and the hospital-specific rate are adjusted by the DRG weighting factor. Thus, payments to these hospitals, regardless of whether they are paid based on the Federal rate or a hospital-specific rate, are affected by changes in the DRG weighting factors. Although the wage index adjustment is applicable only to those hospitals that are paid based on the Federal rate, the changes in the wage index cause changes in the payment basis for some sole community hospitals and Medicare-dependent, small-rural hospitals. That is, depending on the size of increase or decrease in their wage index value, some hospitals that had been paid based on a hospital-specific rate would now be paid based on the Federal rate and some hospitals that had been paid based on the Federal rate would not be paid based on a hospital-specific rate. These shifts in the payment basis affect aggregate program payments and, therefore, must be taken into account in the budget neutrality adjustment. Further, if we achieved budget neutrality through an adjustment to only the standardized payment amounts, a larger reduction factor would be required. This would be inequitable to those hospitals that are paid based on the Federal rates. To achieve budget neutrality in an equitable manner, we would apply the same adjustment factor to the standardized amounts and the hospital-specific rates.

c. *Outliers*. Section 1886(d)(5)(A) of the Act requires that, in addition to the basic prospective payment rates, payments must be made for discharges involving day outliers and may be made for cost outliers. Section 1886(d)(3)(B) of the Act requires that the urban and rural standardized amounts be separately reduced by the proportion of estimated total DRG payments attributable to estimated outlier payments for hospitals located in urban areas and those located in rural areas. Section 1886(d)(9)(B)(iv) of the Act requires that the urban and rural standardized amounts be reduced by the proportion of estimated total payments made to hospitals in Puerto Rico attributable to estimated outlier payments.

Consequently, instead of a uniform reduction factor applying equally to all the standardized amounts, there are two separate reduction factors, one applicable to the urban national and regional standardized amounts and the other applicable to the rural national and regional standardized amounts. Furthermore, sections 1886(d)(5)(A)(iv) and 1886(d)(9)(D)(i) of the Act direct that outlier payments may not be less than five percent nor more than six percent of total payments projected to be made based on the prospective payment rates, in any year.

In the September 1, 1989 final rule, we set the outlier thresholds so as to result in estimated outlier payments (prior to consideration of the additional covered days that resulted from the elimination of a day limitation on Medicare inpatient hospital services under section 101 of the Medicare Catastrophic Coverage Act of 1988 (Pub. L. 100–360)) equal to 5.1 percent of total prospective payments. We also set the same outlier thresholds and offsets for the Puerto Rico prospective payment standardized amounts as we had for the hospitals located outside Puerto Rico. For FY 1990, the day outlier threshold is the geometric mean length of stay for each DRG plus the lesser of 28 days or 3.0 standard deviations. The cost outlier threshold is the greater of 2.0 times the prospective payment rate for the DRG or $34,000. The outlier adjustments for FY 1990 (which were effective for discharges on or after April 1, 1990) were .943759 for the urban rates and .978500 for the rural rates.

We are proposing to continue to set the outlier thresholds so as to result in estimated outlier payments equal to 5.1 percent of total prospective payments. The model that we use to determine the outlier thresholds necessary to target our desired outlier pool for FY 1991 employs FY 1989 charges. We are proposing to adjust that model to take into account the effect of changes in Medicare coverage for inpatient hospital services during FY 1989 that resulted from the enactment of the Catastrophic Coverage Act of 1988 (Pub. L. 100–360). These catastrophic coverage provisions were effective with discharges occurring on or after January 1, 1989 (the second quarter of FY 1989) and were repealed by the Medicare Catastrophic Coverage Repeal Act of 1989 (Pub. L. 101–234) effective for discharges occurring on or after January 1, 1990.

We determine the outlier thresholds and establish the outlier pool based on the covered days and charges reflected in the billing data. The FY 1989 billing data that we used to determine the FY 1991 outlier payments contain 3 months of pre-catastrophic data (data from discharges occurring on or after October 1, 1988 and before January 1, 1989) and 9 months of data for discharges occurring while the catastrophic legislation was in effect (data from discharges occurring on or after January 1, 1989 and before October 1, 1989). For discharges occurring on or after January 1, 1989, we are not able to identify the additional days (and charges) covered under the catastrophic legislation that are no longer covered after its repeal. If we include the additional inpatient days attributable to catastrophic coverage in the model used to estimate outlier payments, we will overestimate the FY 1991 outlier payments. Since we are not able to isolate the catastrophic-covered days and charges from other covered days and charges, we have developed an adjustment to the outlier model to account for the catastrophic-covered days reflected in the billing data. The adjustment is based on a comparative analysis of outlier pools modeled on covered days and charges and on total days and charges using pre-catastrophic billing data and billing data for the period the catastrophic legislation was in effect.

We propose to adjust the model used to develop the outlier thresholds by calculating an adjustment to the 5.1 percent outlier pool payment target solely for purposes of estimating the thresholds. By adjusting the payment target, we eliminate the impact that the changes in coverage that occurred in FY 1989 would have had on the computation of the outlier thresholds. To accomplish this, we calculated, for each quarter in FY 1989, the ratio of outlier payments based on covered days and covered charges to payments based on total days and total charges. We arrived at the adjustment by comparing the ratio for the first quarter (in which pre-catastrophic days and charges occurred) to each of the succeeding quarters. The result was an adjustment factor of .924. Based on this analysis, we estimate that outlier payments will be 92.4 percent of the amounts estimated based on FY 1989 covered days and charges. To maintain the outlier pool at 5.1 percent, we propose to establish the outlier thresholds based on a 5.5 percent pool (5.1 divided by .924). However, the proposed standardized amounts would be adjusted proportionately based on a 5.1 percent outlier pool.

Therefore, for FY 1991, we propose to set the day outlier threshold at the geometric mean length of stay for each DRG plus the lesser of 29 days or 3 standard deviations and the cost outlier threshold at the greater of 2.0 times the prospective payment rate for the DRG or $34,000.

The proposed thresholds would essentially maintain the current outlier payment split with 40 percent of cases being paid using the cost outlier methodology and 60 percent using the day outlier methodology. However, 14 percent of the cases meeting the day outlier threshold would be paid using the cost outlier methodology because it yields the higher payment. Our simulation of FY 1991 outlier payments based on FY 1989 Medicare provider analysis and review file (MEDPAR) data indicates that the percentage of cases that qualify as day outliers is about 74 percent. The cases qualifying as day outliers are expected to receive 81 percent of outlier payments in FY 1991. An estimated 26 percent of outlier cases would be cost only outlier cases, which are expected to receive about 19 percent of outlier payments. The following table illustrates this finding in greater detail:

Type of outlier	Percentage of outlier cases	Percentage of outlier payments
Meets day threshold only	49.0	25.4
Meets day and cost thresholds, paid using day methodology	11.0	21.5
Meets day and cost thresholds, paid using cost methodology	14.0	34.3
Subtotal—All cases meeting day threshold	74.0	81.2
Meets cost threshold only	26.0	18.8
Total	100.0	100.0

The proposed outlier adjustments factors for FY 1991 are as follows:

Urban	Rural
.9451	.9773

Table 8 of section IV of this addendum updates the Statewide average cost-to-charge ratios for urban hospitals and for rural hospitals to be used in calculating cost outlier payments for these hospitals for which the intermediary is unable to compute a reasonable hospital-specific cost-to-charge ratio. Effective October 1, 1990, these Statewide average ratios replace the ratios published in the September 1, 1989 final rule (54 FR 36582). We propose that these average ratios would be used to calculate cost outlier payments for those hospitals for which the intermediary computes cost-to-charge ratios lower than .35 or greater than 1.24. This range represents 3.0 standard deviations (plus or minus) from the mean of the log distribution of cost-to-charge ratios for all hospitals. These revised parameters would be applied to all updates to hospital-specific cost-to-charge ratios based on cost report settlements that occur during FY 1991.

Because of the extent of changes in the outlier policy since the previous outlier examples published in the September 3, 1986 final rule (51 FR 31523), we are providing updated outlier computation examples.

Outlier Computation Example

Hospital Y is a 100 bed hospital located in the Indianapolis, Indiana MSA, which is a large urban area. Hospital Y has a ratio of interns and residents to beds of .1 and is eligible for a disproportionate share adjustment. Mr. Jones is admitted to Hospital Y on September 1, 1990 and is discharged on October 31, 1990. Mr. Jones' stay is classified in DRG 286. Because Mr. Jones' 61 day stay exceeds the 38 day length of stay outlier threshold for DRG 286, Hospital Y is eligible for payment for 23 outlier days in addition to the otherwise applicable prospective payment. The amount of Hospital Y's outlier payment (excluding the usual Federal payment that applies for both outlier and non-outlier cases) is calculated as follows:

Day Outlier:

Step 1—Computation of the Federal Rate

National Large Urban Standardized Amounts:	
Labor-Related	$2,531.16
Non-Labor Related	1,043.02
Indianapolis MSA Wage Index	.9621
DRG 286 Relative Weight	2.4940

DRG Relative Weight × [(Labor Related National Large Urban Standardized Amount × Indianapolis MSA Wage Index) + Non-Labor Related National Large Urban Standardized Amount] = Federal Rate

2.4940 × [($2,531.16 × .9621) + $1,043.02] = $8 ,674.75

Step 2—Computation of Regular Day Outlier Payment

Outlier Days = (61 − 38) = 23
DRG 286 Geometric Mean Length of Stay = 10.1 Days
Marginal Cost Factor = .60
Outlier Payment (Excludes Disproportionate Share and Indirect Medical Education Costs) = Number of Outlier Days × (Total Federal Prospective Payment ÷ Geometric Mean Length of Stay for DRG) × Marginal Cost Factor

23 × ($8,674.75 ÷ 10.1) × .60 = $11,852.68

Step 3—Computation of Indirect Medical Education Adjustment for Day Outlier

Indirect Medical Education Adjustment Factor = .0744
Indirect Medical Education Outlier Payment = Indirect Medical Education Adjustment Factor × Outlier Payment

.0744 × $11,852.68 = $881.84

Step 4—Computation of Disproportionate Share Payment for Day Outlier

Disproportionate Share Adjustment Factor = .1212
Disproportionate Share Hospital Outlier Payment = Disproportionate Share Hospital Adjustment Factor × Outlier Payment

.1212 × $11,852.68 = $1,436.54

Step 5—Total Day Outlier Payments

Regular	$11,852.68
Indirect Medical Education	881.84
Disproportionate Share Hospital	1,436.54
Total	14,171.06

Cost Outlier:

This example uses the same facts as in the day outlier example. Mr. Jones incurred total billed charges of $100,000.00.

Step 1—Computation of Hospital Y's Standardized Cost

Billed Charges = $100,000.
Hospital Y's Ratio of Cost to Charges = .80
Indirect Medical Education Adjustment Factor = .0744
Disproportionate Share Hospital Adjustment Factor = .1212
Hospital Y's Standardized Cost = Billed charges ÷ [1 + (Indirect Medical Education Adjustment Factor + Disproportionate Share Adjustment Factor)] × Hospital's Ratio of Cost to Charges.

$100,000 ÷ [1 + (.0744 + .1212)] × .90 = $66,912.01

Step 2—Determination of Cost Outlier Threshold

Computation 1 (Based on Federal Rate)
DRG 286 Federal Rate = $8,674.75
Federal Rate Doubled = 2 × $8,676.08 = $ 17,349.50
Computation 2 (Based on Wage Index and Adjusted Standard Cost Outlier Threshold)
Standardized Cost Outlier Threshold = $34,000
Labor Related share = 71.41
Non-labor Related Share = 28.59
Wage index Adjusted Cost Outlier Threshold = (Standardized Cost Outlier Threshold × Labor Related Share × Indianapolis MSA Wage Index) + (Standard Cost Outlier Threshold × Nonlabor Related Share)

($34,000 × .7141 × .9621) + ($34,000 × .2859) = $33,079.81

Computation 1 Result	$17,349.50
Computation 2 Result	33,079.81

Higher of Computation 1 or 2 = The Applicable Cost Outlier Threshold = $33,079.81

Step 3—Calculation of Cost Outlier Payment

Marginal Cost Factor = .75
Standardized Cost (From Step 1) = $66,912.01
Hospital Y's Standardized Cost − Cost Outlier Threshold = Outlier Cost
$66,912.01 − $33,079.81 = $33,832.20
Outlier Cost × Marginal Cost Factor = Cost Outlier Payment
$33,832.20 × .75 = $25,374.15

Step 4—Cost Outlier Payment for Indirect Medical Education Costs

Percentage Add-On for Indirect Medical Education = 7.44 percent
Indirect Medical Education Cost Outlier Payment = Cost Outlier Payment × Percentage Add-On for Indirect Medical Education.

$25,374.15 × .0744 = $1,887.84

Step 5—Cost Outlier Payment Adjusted for Disproportionate Share Hospital

Disproportionate Share Hospital Percentage Add-On = 12.12 percent
Disproportionate Share Hospital Percentage Add-On × Cost Outlier Payment = Disproportionate Share Hospital Outlier Payment
.1212 × $25,374.14 = $3,075.35

Step 6—Total Cost Outlier

Regular	$25,374.15
Indirect Medical Education	1,887.84
Disproportionate Share Hospital	3,075.35
Total	30,337.34

Determination of Outlier Payment:

Comparison of Total Day Outlier Payments With Total Cost Outlier Payments

Total Day Outlier Payments	$14,171.06
Total Cost Outlier Payments	30,337.34

Hospital Y receives the higher of the two payments, which is the total cost outlier payment of $30,337.34.

B. Adjustments for Area Wage Levels and Cost-of-Living

This section contains an explanation of the application of two types of adjustments to the adjusted standardized amounts that would be made by the intermediaries in determining the prospective payment rates as described in section II.D of this addendum. For discussion purposes, it is necessary to present the adjusted standardized amounts divided into labor and nonlabor portions. Tables 1a, 1b, and 1c, as we propose in this addendum, contain the actual labor-related and nonlabor-related shares that would be used to calculate the prospective payment rates for hospitals located in the 50 States, the District of Columbia, and Puerto Rico.

1. Adjustment for Area Wage Levels

Sections 1886(d)(2)(H) and 1886(d)(9)(C)(iv) of the Act require that an adjustment be made to the labor-related portion of the prospective payment rates to account for area differences in hospital wage levels. This adjustment is made by the intermediaries by multiplying the labor-related portion of the adjusted standardized amounts by the appropriate wage index for the area in which the hospital is located. In section III of the preamble to this proposed rule, we discuss certain revisions we are making to the wage index. This index is set forth in Tables 4a through 4e of this addendum.

2. Adjustment for Cost of Living in Alaska and Hawaii

Section 1886(d)(5)(H) of the Act, formerly section 1886(d)(5)(C)(iv) of the Act, but redesignated by section 6003(e)(1)(A)(i) of Public Law 101-239, authorizes an adjustment to take into account the unique circumstances of hospitals in Alaska and Hawaii. Higher labor-related costs for these two States are taken into account in the adjustment for area wages above. For FY 1991, the adjustment necessary for nonlabor-related costs for hospitals in Alaska and Hawaii would be made by the intermediaries by multiplying the nonlabor portion of the standardized amounts by the appropriate adjustment factor contained in the table below.

TABLE OF COST-OF-LIVING ADJUSTMENT FACTORS, ALASKA AND HAWAII HOSPITALS

Alaska—All areas	1.25
Hawaii:	
Oahu	1.225
Kauai	1.175
Maui	1.20
Molokai	1.20
Lanai	1.20
Hawaii	1.15

(The above factors are based on data obtained from the U.S. Office of Personnel Management.)

C. DRG Weighting Factors

As discussed in section II of the preamble to this proposed rule, we have developed a classification system for all hospital discharges, assigning them into DRGs, and have developed weighting factors for each DRG that are intended to reflect the resource utilization of cases in each DRG relative to Medicare cases or other DRGs.

Table 5 of section IV of this addendum contains the weighting factors that we propose to use for discharges occurring in FY 1991. These factors have been recalibrated as explained in section II.C. of the preamble to this proposed rule.

D. Calculation of Prospective Payment Rates for FY 1991

General Formula for Calculation of Prospective Payment Rates for FY 1991:

Prospective payment rate for all hospitals located outside Puerto Rico except sole community hospitals and Medicare-dependent, small rural hospitals =	Federal rate.
Prospective payment rate for sole community hospitals (for cost reporting periods beginning before April 1, 1990) =	75 percent of the hospital-specific portion + 25 percent of the Federal regional rate.
Prospective payment rate for sole community hospitals and Medicare-dependent, small rural hospitals (for cost reporting periods beginning on or after April 1, 1990) =	Whichever of the following rates yields the greatest aggregate payment: 100 percent of the Federal rate, 100 percent of the FY 1982 hospital-specific rate, or 100 percent of the FY 1987 hospital-specific rate.
Prospective payment rate for Puerto Rico hospitals =	75 percent of the Puerto Rico rate + 25 percent of a discharge-weighted average of the large urban, other urban, and rural national rates.

1. Federal Rate

For discharges occurring on or after October 1, 1990 and before October 1, 1991, except for sole community hospitals, Medicare-dependent, small rural hospitals, and hospitals located in Puerto Rico, the hospital's rate is comprised exclusively of the Federal national rate. (For discharges that occurred on or after April 1, 1988 and before October 1, 1990, section 1886(d)(1)(A)(iii) of the Act provided that the Federal rate is comprised of 100 percent of the Federal national rate except for those hospitals located in Census regions that have a regional rate that is higher than the national rate.) For cost reporting periods beginning before April 1, 1990, the 25 percent Federal portion payable to sole community hospitals is based entirely on the Federal regional rate. The Federal rates are determined as follows:

Step 1—Select the appropriate regional or national adjusted standardized amount considering the type of hospital and designation of the hospital as large urban, other urban, or rural (see Tables 1a and 1b, section IV of this addendum).

Step 2—Multiply the labor-related portion of the standardized amount by the applicable wage index for the geographic area in which the hospital is located (see Tables 4a–4e, section IV of this addendum).

Step 3—For hospitals in Alaska and Hawaii, multiple the nonlabor-related portion of the standardized amount by the appropriate cost-of-living adjustment factor.

Step 4—Sum the amount from step 2 and the nonlabor portion of the standardized amount (adjusted if appropriate under step 3).

Step 5—Multiply the final amount from step 4 by the weighting factor corresponding to the appropriate DRG (see Table 5, section IV of this addendum)

Step 6—For sole community hospitals with cost reporting periods beginning before April 1, 1990, multiply the result in step 5 by 25 percent. The result is the Federal portion of the FY 1991 prospective payment for a given discharge for a sole community hospital, with a cost reporting period beginning before April 1, 1990.

2. Hospital-Specific Rate (Applicable Only to Sole Community Hospitals and Medicare-Dependent, Small Rural Hospitals)

For cost reporting periods beginning on or after October 1, 1983 and before April 1, 1990, sole community hospitals were paid on the basis of a rate per discharge composed of 75 percent of the hospital-specific rate and 25 percent of the applicable Federal regional rate. Section 1886(d)(5)(D)(i) of the Act, as added by section 6003(e) of Public Law 101-239, provides that for cost reporting periods beginning on or after April 1, 1990, sole community hospitals are paid based on whichever of the following rates yields the greatest aggregate payment: the Federal rate (subject to the regional floor for discharges occurring before October 1, 1990), the updated hospital-specific rate based on FY 1982 cost per discharge, or the updated hospital-specific rate based on FY 1987 cost per discharge. In addition, section 6003(f) of Public Law 101-239 added a new section 1886(d)(5)(G) of the Act that creates a new category of hospitals eligible for special payment under the prospective payment system. These hospitals are known as Medicare-dependent small rural hospitals and, effective for cost reporting periods beginning or after April 1, 1990 and ending before April 1, 1993, they are paid based on the same formula applicable to sole community hospitals.

Hospital-specific rates have been determined for each of these hospitals based on both the FY 1982 cost per discharge and the FY 1987 cost per discharge. For a more detailed discussion of the calculation of the FY 1982 hospital-specific rate and the FY 1987 hospital-specific rate, we refer the reader to the September 1, 1983 interim final rule (48 FR

39772) and the April 20, 1990 final rule with comment (55 FR 15150).

a. *Updating the FY 1982 and FY 1987 hospital-specific rates for FY 1991 cost reporting periods.* For cost reporting periods beginning on or after October 1, 1990, we are proposing to increase the hospital-specific rates by 5.2 percent (the market basket percentage increase) for hospital located in all areas. As required by section 1886(d)(3)(B) of the Act, this is the same percentage increase by which we are proposing to change the Federal rates for FY 1991.

b. *Calculation of hospital-specific rate.* For sole community hospital and Medicare-dependent small rural hospital cost reporting periods beginning on or after October 1, 1990 and before October 1, 1991, the hospital-specific rate applicable to the hospital would be calculated by multiplying the hospital's hospital-specific rate for the preceding cost reporting period by the applicable update factor (that is, 5.2 percent). In addition, the hospital-specific rate would be adjusted by the budget neutrality adjustment factor (that is, .998207) as discussed in section II.A.4.b of this Addendum. This resulting rate would be used in determining under which rate a sole community or Medicare-dependent small rural hospital is paid for its cost reporting period beginning on or after October 1, 1990, based on the formula set forth above.

3. General Formula for Calculation of Prospective Payment Rates for Hospitals Located in Puerto Rico Beginning On or After October 1, 1990 and Before October 1, 1991

a. *Puerto Rico rate.* The Puerto Rico prospective payment rate is determined as follows:

Step 1—Select the appropriate adjusted average standardized amount considering the large urban, other urban, or rural designation of the hospital (see Table 1c, section IV of the addendum).

Step 2—Multiply the labor-related portion of the standardized amount by the appropriate wage index (see Tables 4a and 4b, section IV of the addendum).

Step 3—Sum the amount from step 2 and the nonlabor portion of the standardized amount.

Step 4—Multiply the result in step 3 by 75 percent.

Step 5—Multiply the amount from step 3 by the weighting factor corresponding to the appropriate DRG weight (see Table 5, section IV to the addendum).

b. *National rate.* The national prospective payment rate is determined as follows:

Step 1—Multiply the labor-related portion of the national average standardized amount (see Table 1c, section IV of the addendum) by the appropriate wage index.

Step 2—Sum the amount from step 1 and the nonlabor portion of the national average standardized amount.

Step 3—Multiply the result in step 2 by 25 percent.

Step 4—Multiply the amount from step 3 by the weighting factor corresponding to the appropriate DRG weight (see Table 5, section IV of the addendum).

The sum of the Puerto Rico rate and the national rate computed above equals the prospective payment for a given discharge for a hospital located in Puerto Rico.

III. Proposed Target Rate Percentages for Hospitals and Hospital Units Excluded From the Prospective Payment System

The inpatient operating costs of hospitals and hospital units excluded from the prospective payment system are subject to rate-of-increase limits established under the authority of section 1886(b) of the Act, which is implemented in § 413.40 of the regulations. Under these limits, an annual target amount (expressed in terms of the inpatient operating cost per discharge) is set for each hospital, based on the hospital's own historical cost experience, trended forward by the applicable update factors. This target amount is applied as a ceiling on the allowable costs per discharge for the hospital's next cost reporting period.

A hospital that has inpatient operating costs per discharge in excess of its target amount would be paid no more than that amount. However, a hospital that has inpatient operating costs less than its target amount would be paid its costs plus the lower of—

(1) 50 percent of the difference between the inpatient operating cost per discharge and the target amount; or

(2) 5 percent of the target amount.

Each hospital's target amount is adjusted annually, before the beginning of its cost reporting period, by an applicable target rate percentage. For cost reporting periods beginning on or after October 1, 1990 and before October 1, 1991, section 1886(b)(3)(B)(ii) of the Act provides that the applicable percentage increase is the market basket percentage increase. In order to determine a hospital's target amount for its cost reporting period beginning in FY 1991, the hospital's target amount for its reporting period that began in FY 1990 is increased by the market basket percentage increase for FY 1991. The most recent forecasted market basket increase for FY 1991 for hospitals and units excluded from the prospective payment system is 5.3 percent (discussed in section IV of the preamble of this proposed rule). Therefore, the applicable percentage increase is also 5.3 percent.

IV. Tables

This section contains the tables referred to throughout the preamble to this proposed rule and in this addendum. For purposes of this proposed rule, and to avoid confusion, we have retained the designations of Tables 1a, 1b, 1c, 3c, 4a, 4b, and 5 that were first used in the September 1, 1983 initial prospective payment final rule (48 FR 39844). Tables 1a, 1b, 1c, 2a, 2b, 3C, 4a, 4b, 4c, 4d, 4e, 4f, 5, 6a, 6b, 6c, 6d, 6e,6f, 6g, 6h, 6i, 7A, 7B, 8, and 9 are presented below. The tables presented below are as follows:

Table 1a—National Adjusted Standardized Amounts, Labor/Nonlabor
Table 1b—Regional Adjusted Standardized Amounts, Labor/Nonlabor
Table 1c—Adjusted Standardized Amounts for Puerto Rico, Labor/Nonlabor
Table 2a—Prospective Payment Hospital Market Basket (1987-Based Weights and Cost Categories)
Table 2b—Excluded Hospital Market Basket (1987-Based Weights and Cost Categories)
Table 3C—Hospital Case Mix Indexes for Discharges Occurring in Federal Fiscal Year 1989
Table 4a—Wage Index for Urban Areas
Table 4b—Wage Index for Rural Areas
Table 4c—Wage Index for Rural Counties Whose Hospitals are Deemed Urban—Using Urban Area Wage Index
Table 4d—Wage Index for Rural Counties Whose Hospitals are Deemed Urban—Computed as Separated Urban Areas
Table 4e—Wage Index for Rural Counties Whose Hospitals are Deemed Urban—Using Statewide Rural Wage Index
Table 4f—Wage Areas Subject to Wage Index Phase—In
Table 5—List of Diagnosis Related Groups (DRGs), Relative Weighting Factors, Geometric Mean Length of Stay, and Length of Stay Outlier Cutoff Points Used in the Prospective Payment System
Table 6a—New Diagnosis Codes
Table 6b—New Procedure Codes
Table 6c—Invalid Diagnosis Codes (4 digits)
Table 6d—Invalid Procedure Code
Table 6e—Additions to the CC Exclusions List
Table 6f—Deletions to the CC Exclusions List
Table 6g—Additional OR Procedures that Group to DRG 477
Table 6h—Diagnosis Codes by Body Site Category for MDC 24
Table 6i—HIV-Related Conditions Necessary for Assignment to MDC 25
Table 7A—Medicare Prospective Payment System Selected Percentile Lengths of Stay FY 89 MEDPAR Update 12/89 GROUPER V7.0
Table 7B—Medicare Prospective Payment System Selected Percentile

Lengths of Stay FY 89 MEDPAR Update 12/89 GROUPER V8.0

Table 8—Statewide Average Cost-to-Charge Ratios for Urban and Rural Hospitals (Case Weighted)

Table 9—Sole Community Hospital-Weather Data

TABLE 1A—NATIONAL ADJUSTED STANDARDIZED AMOUNTS, LABOR/NONLABOR

Large urban		Other urban		Rural	
Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
2531.16	1043.02	2491.09	1026.50	2450.05	789.64

TABLE 1b—REGIONAL ADJUSTED STANDARDIZED AMOUNTS, LABOR/NONLABOR

	Large urban		Other urban		Rural	
	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
1. New England (CT, ME, MA, NH, RI, VT)	2658.15	1089.07	2616.07	1071.83	2715.79	936.75
2. Middle Atlantic (PA, NJ, NY)	2388.11	1031.77	2350.30	1015.45	2600.93	885.54
3. South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)	2549.22	952.21	2508.85	937.14	2486.36	767.89
4. East North Central (IL, IN, MI, OH, WI)	2688.80	1126.62	2646.23	1108.79	2517.76	853.45
5. East South Central (AL, KY, MS, TN)	2446.55	862.21	2407.81	848.56	2464.23	716.07
6. West North Central (IA, KS, MN, MO, NB, ND, SD)	2549.94	1026.55	2509.57	1010.30	2395.05	765.01
7. West South Central (AR, LA, OK, TX)	2535.27	945.77	2495.12	930.79	2296.95	703.55
8. Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	2444.14	1013.92	2405.44	997.87	2334.94	814.47
9. Pacific (AK, CA, HI, OR, WA)	2378.93	1157.19	2341.26	1138.87	2259.15	911.58

TABLE 1c—ADJUSTED STANDARDIZED AMOUNTS FOR PUERTO RICO, LABOR/NONLABOR

	Large urban		Other urban		Rural	
	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
Puerto Rico	2342.26	419.29	2305.19	412.65	1705.95	315.99
National	Labor-related	Nonlabor-related				
	2496.07	972.91				

TABLE 2a—PROSPECTIVE PAYMENT HOSPITAL MARKET BASKET (1987—BASED WEIGHTS AND COST CATEGORIES)

Expense categories	1987—based market basket weights [1]
1. Wages and Salaries [2]	52.2
2. Employee Benefits [2]	9.5
3. Other Professional Fees [2]	1.6
4. Energy and Utilities	2.4
A. Fuel, Oil, Coal and Other fuel	0.6
B. Electricity	1.1
C. Natural Gas	0.3
D. Motor Gasoline	0.2
E. Water and Sewerage	([3])
5. Professional Liability Insurance	1.4
6. All Other	32.7
A. All Other Products	
(1) Pharmaceuticals	3.9
(2) Food	
(a) Direct Purchase	2.1
(b) Contract Service	1.2
(3) Chemicals	3.1
(4) Medical Instruments	2.7
(5) Photo Supplies	2.6
(6) Rubber and Plastics	2.3
(7) Paper Products	1.4

TABLE 2a—PROSPECTIVE PAYMENT HOSPITAL MARKET BASKET (1987—BASED WEIGHTS AND COST CATEGORIES)—Continued

Expense categories	1987—based market basket weights [1]
(8) Apparel	1.1
(9) Mach. and Equip.	0.5
(10) Miscellaneous Products	0.8
Subtotal	21.7
B. All Other Services	
(1) Business Services [2]	3.8
(2) Computer Services [2]	2.0
(3) Transportation and Shipping	1.2
(4) Telephone	1.0
(5) Blood Services [2]	0.6
(6) Postage [2]	0.4
(7) All Other Labor Intensive [2]	1.2
(8) All Other Non-Labor Intensive	0.8
Subtotal	11.0

[1] These weights are used to develop the revised labor-related and nonlabor-related components of the standardized amounts in Tables 1a, 1b, and 1c. Total market basket weights may not equal 100 due to rounding.

[2] Considered labor-related. The sum of the labor-related portion may not equal 71.4 due to rounding.

[3] Rounds to less than 0.1. This established category may be eliminated and the cost reallocated if revised data that confirm the low weight are available for the final notice.

TABLE 2b.—EXCLUDED HOSPITAL MARKET BASKET (1987-BASED WEIGHTS AND COST CATEGORIES)

Expense categories	1987-based market basket weights [1]
1. Wages and Salaries	61.3
2. Employee Benefits	13.0
3. Professional Fees	1.3
4. Energy and Utilities	2.8
A. Fuel Oil, Coal, Etc	0.7
B. Electricity	1.3
C. Natural Gas	0.4
D. Motor Gasoline	0.3
E. Water and Sewerage	0.1
5. Professional Liability Ins	1.7
6. All Other	19.9

TABLE 2b.—EXCLUDED HOSPITAL MARKET BASKET (1987-BASED WEIGHTS AND COST CATEGORIES)—Continued

Expense categories	1987-based market basket weights [1]
A. All Other Products	
(1) Pharmaceuticals	1.2
(2) Food	
(a) Direct Purchase	2.6
(b) Contract Service	0.7
(3) Chemicals	1.9
(4) Medical Instruments	1.6
(5) Photo. Supplies	1.6
(6) Rubber and Plastics	1.4
(7) Paper Products	0.8
(8) Apparel	0.7
(9) Mach. and Equip	0.3
(10) Misc. Products	0.5
Subtotal	13.1
B. All Other Services	
(1) Business Services	2.3
(2) Computer Services	1.2
(3) Trans. and Shipping	0.7
(4) Telephone	0.6
(5) Blood Services	0.4
(6) Postage	0.2
(7) All Other Labor Intensive	0.7
(8) All Other Nonlabor Intensive	0.5
Subtotal	6.6

[1] Total market basket weights may not equal 100 due to rounding.

NOTE—

(1) The wage and price proxies are the same for the excluded and prospective payment system market baskets.

(2) The 1987 excluded hospital market basket has a composite set of weights for Medicare-certified psychiatric, long-term care, rehabilitation, and children's hospitals.

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TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
010001	01.3145	010061	00.9943	010126	01.0619	030010	01.3795	030079	00.8412
010004	00.8738	010062	01.0121	010127	01.3818	030011	01.2980	030080	01.4295
010005	01.1802	010064	01.4931	010128	00.9369	030012	01.1508	030081	01.1283
010006	01.2465	010065	01.1197	010129	00.9952	030013	01.1812	030083	01.3547
010007	01.0814	010066	00.9229	010130	01.1075	030014	01.4072	030084	01.0718
010008	01.1110	010068	01.1722	010131	01.3623	030016	01.1798	030085	01.2327
010009	01.0618	010069	01.1900	010134	00.8542	030017	01.3189	030086	01.2581
010010	01.0007	010072	01.1059	010136	00.9599	030018	01.4202	030087	01.3176
010011	01.3349	010073	01.0061	010137	01.3295	030019	01.2364	030088	01.2657
010012	01.2949	010075	01.4304	010138	00.9590	030022	01.4271	030089	01.1993
010015	01.2401	010078	01.2251	010139	01.4691	030023	01.1608	030091	00.8730
010016	01.2041	010079	01.1947	010143	01.1305	030024	01.4506	030092	01.2565
010018	01.0602	010080	00.9866	010144	01.3243	030025	01.2102	030093	01.1508
010019	01.1570	010081	01.6090	010145	01.2669	030027	01.0734	030094	01.1930
010020	00.9987	010083	01.0719	010146	01.0972	030030	01.5449	030469	01.0761
010021	01.2427	010084	01.3410	010148	00.9666	030033	01.3411	040001	01.0340
010022	00.9979	010085	01.3039	010149	01.2905	030034	01.1251	040002	01.1360
010023	01.2417	010086	00.9979	010150	01.0372	030035	01.1764	040003	01.0357
010024	01.2653	010087	01.3151	010152	01.2806	030036	01.2514	040004	01.2922
010025	01.2018	010089	01.0431	010153	00.9078	030037	01.6883	040005	01.0038
*010027	00.9922	010090	01.3809	020001	01.4314	030038	01.4767	040006	01.0082
010028	01.1337	010091	01.0847	020002	01.1601	030040	01.1055	040007	01.4744
010029	01.3608	010092	01.3172	020004	01.0516	030041	00.8979	040008	01.1263
010030	01.0099	010094	01.2447	020005	00.9366	030043	01.1024	040010	01.1792
010031	01.2398	010095	01.1465	020006	01.0084	030044	01.1676	040011	00.9961
010032	00.9068	010096	00.9232	020007	01.0177	030046	00.9500	040013	01.1026
010033	01.8124	010097	01.0611	020008	00.9550	030047	00.9918	040014	01.1727
010034	01.1254	010098	01.0689	020009	00.9125	030049	00.9476	040015	01.1126
010035	01.1306	010099	01.0249	020010	00.8557	030051	01.1369	040016	01.3947
010036	01.0576	010100	01.2284	020011	00.9422	030054	00.9429	040017	01.2133
010038	01.1431	010101	01.0865	020012	01.2696	030055	01.1313	040018	01.0862
010039	01.6058	010102	00.9348	020013	00.8202	030057	01.2383	040019	01.1451
010040	01.2109	010103	01.4749	020014	00.9403	030059	01.3878	040020	01.4271
010043	01.0061	010104	01.5322	020017	01.3019	030060	01.1479	040021	01.2301
010044	01.0721	010108	01.2292	020018	00.9335	030061	01.3817	040022	01.6081
010045	01.0785	010109	01.0401	020019	00.9612	030062	01.2476	040024	00.9504
010046	01.2815	010110	00.6928	020020	00.9913	030063	01.0251	040025	01.0403
010047	00.9067	010112	01.1188	020021	01.1510	030064	01.4470	040026	01.3188
010049	01.0428	010113	01.4488	020024	00.9696	030065	01.4044	040027	01.1789
010050	00.9458	010114	01.2330	020025	00.9466	030067	01.0928	040028	01.0384
010051	00.8854	010115	00.9273	020026	01.2438	030068	01.0035	040029	01.1028
010052	01.0738	010117	00.9241	020027	01.0402	030069	01.2232	040030	00.9015
010053	01.0645	010118	01.1664	030001	01.2846	030071	00.9055	040031	00.9456
010054	01.1678	010119	01.2619	030002	01.6109	030072	00.9045	040032	00.9758
010055	01.3159	010120	00.9737	030003	01.2928	030073	01.1332	040033	00.9093
010056	01.2341	010121	01.1327	030004	00.9231	030074	01.1979	040035	00.9150
010057	01.0878	010122	01.0084	030006	01.4441	030075	00.8786	040036	01.2219
010058	01.0850	010123	01.2201	030007	01.2506	030076	00.9044	040037	00.9846
010059	00.9675	010124	01.2472	030008	01.7152	030077	00.9073	040039	01.0929
010060	00.9059	010125	01.0515	030009	01.1744	030078	01.0697	040040	00.9790

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
040041	01.1651	040124	01.1661	050065	01.5323	050124	01.2552	050191	01.3647
040042	01.2388	040128	00.9772	050066	01.2866	050125	01.2401	050192	01.0553
040043	00.8318	040130	01.8085	050067	01.2465	050126	01.3352	050193	01.3507
040044	00.9329	040131	01.0512	050068	01.1095	050127	01.2545	050194	01.2971
040045	00.9897	050002	01.2619	050069	01.5186	050128	01.4513	050195	01.3086
040047	00.9928	050004	01.1874	050070	01.2125	050129	01.4851	050196	01.2820
040048	01.1252	050006	01.2480	050071	01.2117	050131	01.3265	050197	01.7549
040050	01.1206	050007	01.4692	050072	01.2176	050132	01.2853	050199	01.1229
040051	00.9831	050008	01.4326	050073	01.1432	050133	01.2275	050201	01.5784
040053	01.0398	050009	01.5253	050074	01.0493	050135	01.3109	050202	01.2298
040054	01.0195	050013	01.9752	050075	01.2572	050136	01.2378	050204	01.3992
040055	01.2193	050014	01.1625	050076	01.4370	050137	01.2070	050205	01.2497
040058	00.9288	050015	01.4019	050077	01.5562	050138	01.5610	050207	01.1682
040060	00.9770	050016	01.1504	050078	01.1705	050139	01.2043	050208	01.2414
040062	01.2877	050017	01.7162	050079	01.3869	050140	01.2321	050211	01.2744
040063	01.3594	050018	01.2321	050080	01.2713	050143	01.2683	050212	01.1753
040064	00.9929	050019	00.9972	050081	01.5988	050144	01.5268	050213	01.2930
040066	00.9226	050021	01.3012	050082	01.3833	050145	01.2450	050214	01.3831
040067	00.9748	050022	01.3829	050084	01.4381	050146	01.1869	050215	01.4454
040069	01.0424	050024	01.3806	050086	01.1363	050147	00.8360	050217	01.1624
040070	00.8979	050025	01.5858	050087	01.0330	050148	01.1253	050219	01.3163
040071	01.2468	050026	01.5006	050088	01.0691	050149	01.1872	050220	01.2174
040072	01.1394	050028	01.2533	050089	01.3455	050150	01.2722	050221	01.4748
040074	01.1169	050029	01.3708	050090	01.3224	050151	01.0921	050222	01.4286
040075	01.0650	050030	01.3038	050091	01.1685	050152	01.4225	050224	01.4544
040076	00.9577	050032	01.2352	050092	01.0093	050153	01.5605	050225	01.2565
040077	00.9631	050033	01.3502	050093	01.5045	050154	01.2624	050226	01.4178
040078	01.2660	050034	01.2810	050095	01.8085	050155	01.1784	050228	01.3022
040080	01.0358	050036	01.6874	050096	01.0240	050158	01.4625	050229	01.2480
040081	00.9033	050038	01.2685	050097	01.4372	050159	01.4949	050230	01.3543
040082	01.1591	050039	01.5757	050099	01.3599	050161	01.8838	050231	01.4410
040084	01.1515	050040	01.1895	050100	01.6649	050164	01.4773	050232	01.7725
040085	01.1547	050041	01.2298	050101	01.3427	050166	01.1612	050233	01.1804
040088	01.1778	050042	01.1418	050102	01.2942	050167	01.3457	050234	01.2798
040090	00.9379	050043	01.5424	050103	01.4617	050168	01.6445	050235	01.4364
040091	01.0865	050045	01.1549	050104	01.3425	050169	01.4044	050236	01.2803
040093	00.9691	050046	01.2621	050107	01.3432	050170	01.3772	050238	01.3762
040095	00.9898	050047	01.5226	050108	01.3889	050172	01.2369	050239	01.3894
040100	01.1023	050049	01.2076	050109	01.9800	050173	01.3324	050240	01.3652
040105	01.0463	050051	01.2466	050110	01.1391	050174	01.5638	050241	01.2352
040106	01.0548	050052	01.0582	050111	01.2769	050175	01.3959	050242	01.4400
040107	01.0523	050053	01.2972	050112	01.4013	050177	01.2979	050243	01.4112
040108	00.8949	050054	01.2845	050113	01.1803	050179	01.2563	050245	01.4179
040109	01.2283	050055	01.2263	050114	01.5111	050180	01.4173	050248	01.0931
040114	01.6843	050056	01.3098	050115	01.4559	050181	01.2963	050251	01.0885
040115	00.9575	050057	01.3877	050116	01.3493	050183	01.2982	050253	00.8592
040116	01.2531	050058	01.3479	050117	01.2209	050186	01.3774	050254	01.1812
040118	01.1057	050060	01.3440	050118	01.1796	050188	01.3974	050256	01.5941
040119	01.1526	050061	01.2729	050121	01.2642	050189	00.9364	050257	01.2998
040122	01.1109	050063	01.3586	050122	01.4384	050190	01.0999	050258	01.4125

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
050260	00.9720	050333	01.0191	050414	01.2794	050488	01.2103	050573	01.4646
050261	01.2081	050334	01.3943	050417	01.1343	050489	01.1008	050575	01.1933
050262	01.5401	050335	01.2294	050418	01.2846	050491	01.4447	050577	01.3128
050263	01.3133	050336	01.2623	050419	01.1260	050492	01.3133	050578	01.1986
050264	01.3586	050337	01.2283	050420	01.2965	050494	01.0589	050579	01.4214
050267	01.4657	050342	01.3737	050421	01.2849	050496	01.6186	050580	01.2739
050268	01.2606	050343	01.1521	050423	01.0801	050497	01.0411	050581	01.3054
050269	01.2474	050345	01.3415	050424	01.7003	050498	01.1737	050583	01.7371
050270	01.3160	050348	01.4823	050425	01.1973	050502	01.6712	050584	01.2048
050272	01.3248	050349	01.1090	050426	01.4308	050503	01.4639	050585	01.2986
050274	00.9990	050350	01.4054	050427	00.9987	050506	01.3769	050586	01.3087
050276	01.0894	050351	01.4420	050430	01.0240	050510	01.2491	050587	01.2372
050277	01.3542	050352	01.2794	050431	01.2273	050512	01.1989	050588	01.2663
050278	01.3085	050353	01.8121	050432	01.5057	050515	01.2924	050589	01.4508
050279	01.2242	050355	00.9637	050433	01.0515	050516	01.3895	050590	01.3572
050280	01.2835	050357	01.6750	050434	01.1432	050517	01.3201	050591	01.2192
050281	01.4031	050359	01.0916	050435	01.1494	050522	01.3554	050592	01.3590
050282	01.2398	050360	01.2910	050436	01.0250	050523	01.1781	050593	01.2748
050283	01.3348	050362	00.8500	050438	01.4235	050526	01.3162	050594	02.0654
050286	01.0223	050363	01.3722	050440	01.1277	050527	01.2964	050597	01.2666
050289	01.5582	050366	01.2432	050441	01.6370	050528	01.2060	050598	01.3622
050290	01.4479	050367	01.2548	050442	01.2477	050530	01.3107	050599	01.4567
050291	01.1932	050369	01.3058	050443	00.9636	050531	01.1227	050601	01.2628
050292	01.1841	050372	01.1454	050444	01.2232	050534	01.4012	050603	01.4172
050293	01.1735	050373	01.1508	050446	00.8790	050535	01.4940	050604	01.2998
050295	01.3040	050376	01.2523	050447	01.3252	050537	01.2108	050607	01.2515
050296	01.1852	050377	01.0152	050448	01.0012	050539	01.3101	050608	01.2571
050298	01.1787	050378	01.2090	050449	01.3190	050541	01.3606	050609	01.2567
050299	01.3133	050379	01.1667	050450	01.0712	050542	01.1066	050613	01.0183
050300	01.3176	050380	01.4965	050451	01.0163	050543	01.1803	050615	01.4863
050301	01.2258	050381	01.0432	050454	01.6114	050544	01.3166	050616	01.2641
050302	01.2775	050382	01.2858	050455	01.5882	050545	01.0457	050618	01.0909
050305	01.3883	050383	01.4063	050456	01.3698	050546	00.9978	050619	01.3317
050307	01.4454	050385	01.2236	050457	01.5727	050547	00.8882	050622	01.2602
050308	01.5197	050387	00.9878	050458	00.9522	050549	01.6287	050623	01.0724
050309	01.2855	050388	00.9064	050459	01.3935	050550	01.2913	050624	01.2687
050310	01.2779	050390	01.2548	050464	01.8282	050551	01.3336	050625	01.4345
050312	01.7288	050391	01.3400	050467	01.2753	050552	01.1476	050630	01.1651
050313	01.2115	050392	00.9498	050468	01.3547	050557	01.3568	050633	01.2215
050315	01.3593	050393	01.4607	050469	01.0711	050559	01.2941	050635	01.2421
050317	01.3540	050394	01.3928	050470	01.1932	050560	01.2299	050636	01.3066
050319	01.3467	050396	01.4729	050471	01.6603	050561	01.0887	050637	01.2525
050320	01.2902	050397	01.0375	050476	01.3033	050564	01.1978	050638	01.0241
050324	01.7017	050401	01.2222	050477	01.3096	050565	01.2319	050641	01.1674
050325	01.2398	050404	01.2139	050478	01.1431	050566	00.9768	050643	00.8648
050326	01.0306	050406	01.0251	050481	01.4521	050567	01.5220	050644	01.1325
050327	01.5777	050407	01.1629	050482	00.9498	050568	01.2227	050649	01.3001
050328	01.3881	050410	01.1228	050483	01.3662	050569	01.1981	050650	01.2147
050329	01.2899	050411	01.2232	050485	01.5408	050570	01.6812	050651	01.2389
050331	01.2698	050413	01.2905	050486	01.5591	050571	01.3266	050655	01.0377

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TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
050660	01.1186	060032	01.3241	060100	01.2267	090007	01.1169	100052	01.2716
050661	00.8979	060033	01.1400	060101	01.7130	090008	01.2686	100053	01.1511
050662	00.8160	060034	01.2933	070001	01.6790	090009	01.2462	100054	01.3700
050663	01.0783	060035	01.1107	070002	01.6408	090010	01.0177	100055	01.3467
050666	01.0558	060036	01.1883	070003	01.2159	090011	01.6692	100056	01.4208
050667	01.1213	060037	01.0257	070004	01.1695	100001	01.2853	100057	01.3182
050668	01.1499	060038	01.1698	070005	01.2889	100002	01.3608	100059	01.4939
050669	01.2710	060039	01.0397	070006	01.2337	100004	01.0502	100060	01.5441
050670	00.7573	060041	01.0806	070007	01.2650	100005	00.9673	100061	01.4217
050671	01.0738	060042	00.9012	070008	01.2800	100006	01.5653	100062	01.5606
050672	00.6717	060043	00.9366	070009	01.2132	100007	01.8216	100063	01.3263
050674	01.1478	060044	01.2342	070010	01.3908	100008	01.6320	100065	01.1987
050675	01.3081	060045	00.9641	070011	01.2589	100009	01.3857	100067	01.4034
050676	00.9130	060046	01.1428	070012	01.2377	100010	01.3595	100068	01.4624
050677	01.2773	060047	01.0807	070013	01.3176	100012	01.3629	100069	01.2789
050678	01.2337	060049	01.0605	070014	01.1322	100014	01.2371	100070	01.3576
050679	01.1511	060050	01.1182	070015	01.2543	100015	01.2581	100071	01.2954
050680	01.1863	060051	01.3302	070016	01.2736	100016	01.0604	100072	01.2130
050682	00.8557	060052	00.9415	070017	01.3538	100017	01.5786	100073	01.6720
050683	00.9537	060053	01.0201	070018	01.1655	100018	01.3577	100074	01.2334
050684	01.1485	060054	01.2592	070019	01.2218	100019	01.5068	100075	01.6446
050685	01.1536	060056	00.9138	070020	01.3970	100020	01.3474	100076	01.2970
060001	01.4081	060057	01.3141	070021	01.2300	100021	01.3099	100077	01.2988
060003	01.1653	060058	00.8960	070022	01.5641	100022	01.4721	100078	01.1975
060004	01.1492	060060	00.9840	070023	01.3368	100023	01.3245	100079	01.2367
060005	01.6813	060062	00.9897	070024	01.2127	100024	01.2411	100080	01.5152
060006	01.1905	060063	01.1655	070025	01.5129	100025	01.5126	100081	01.1365
060007	01.2646	060064	01.3241	070026	01.2073	100026	01.4035	100082	01.3755
060008	01.1036	060065	01.2969	070027	01.2908	100027	00.8772	100083	01.1545
060009	01.2506	060066	00.9275	070028	01.4224	100028	01.3511	100084	01.3807
060010	01.5509	060067	01.0929	070029	01.2829	100029	01.2955	100085	01.1573
060011	01.1522	060068	01.1309	070030	01.2202	100030	01.0618	100086	01.2360
060012	01.3876	060070	01.0852	070031	01.2945	100032	01.3264	100087	01.6315
060013	01.2492	060071	01.1756	070033	01.2492	100033	01.4212	100088	01.3338
060014	01.4881	060072	00.9084	070034	01.2789	100034	01.4374	100089	01.2921
060015	01.3453	060073	00.8903	070035	01.3103	100035	01.4097	100090	01.2739
060016	01.0898	060074	00.8641	070036	01.3094	100036	01.3681	100092	01.1864
060017	01.2209	060075	01.2166	080001	01.4577	100038	01.5172	100093	01.4509
060018	01.0899	060076	01.2855	080002	01.1854	100039	01.4552	100098	01.0893
060019	01.7058	060077	01.1178	080003	01.2439	100040	01.5007	100099	01.1931
060020	01.4528	060083	01.1356	080004	01.2695	100042	01.2448	100100	01.1740
060022	01.3421	060085	00.9514	080005	01.2265	100043	01.3042	100102	01.1344
060023	01.4065	060087	01.4263	080006	01.1051	100044	01.3491	100103	01.0048
060024	01.4980	060088	01.0967	080007	01.1502	100045	01.3456	100105	01.2567
060026	01.4352	060090	00.9621	090001	01.3893	100046	01.3212	100106	01.0864
060027	01.3314	060092	00.9637	090002	01.2836	100047	01.2524	100107	01.2019
060028	01.3787	060093	00.9702	090003	01.4006	100048	00.9185	100108	00.9865
060029	00.9725	060096	01.0092	090004	01.5268	100049	01.2967	100109	01.2375
060030	01.2346	060098	01.3764	090005	01.2989	100050	01.1111	100110	01.3270
060031	01.3965	060099	00.9975	090006	01.2620	100051	01.1462	100112	01.0767

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TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
100113	01.5996	100175	01.0674	100241	01.0406	110026	01.1455	110083	01.3871
100114	01.3214	100176	01.8781	100242	01.2246	110027	01.0547	110085	01.1271
100115	01.1829	100177	01.3711	100243	01.3533	110028	01.4467	110086	01.1487
100117	01.1620	100179	01.5269	100244	01.3495	110029	01.2751	110087	01.1871
100118	01.1696	100180	01.4727	100246	01.3067	110030	01.2312	110088	00.9028
100120	01.2892	100181	01.2542	100248	01.5180	110031	01.1483	110089	01.1231
100121	01.0836	100183	01.2726	100249	01.2833	110032	01.1473	110091	01.2571
100122	01.3049	100185	01.1894	100252	01.2243	110033	01.3146	110092	01.0534
100124	01.3000	100186	01.3640	100253	01.3661	110034	01.2654	110093	01.0062
100125	01.1357	100187	01.2266	100254	01.3526	110035	01.2482	110094	01.0262
100126	01.4243	100189	01.3327	100255	01.3275	110036	01.4915	110095	01.2686
100127	01.4361	100191	01.2992	100256	01.2959	110037	01.1553	110096	01.1475
100128	02.2723	100194	01.2564	100258	01.6044	110038	01.2388	110097	01.0652
100129	01.2716	100195	01.3668	100259	01.3094	110039	01.2780	110098	01.0416
100130	01.2790	100198	01.2192	100260	01.2578	110040	00.9731	110099	01.0664
100131	01.2780	100199	01.2724	100262	01.2913	110041	01.1789	110100	01.1023
100132	01.3013	100200	01.3184	100263	01.5178	110042	01.0813	110101	01.0083
100134	01.0529	100203	01.1979	100264	01.3103	110043	01.4656	110103	00.9566
100135	01.5362	100204	01.5460	100265	01.2213	110044	01.0857	110104	01.1560
100137	01.1180	100206	01.3465	100266	01.3180	110045	00.9937	110105	01.0935
100138	00.9900	100207	01.3959	100267	01.3102	110046	01.2293	110107	01.4729
100139	01.1246	100208	01.3960	100268	01.2767	110048	01.1607	110108	00.8724
100140	01.1263	100209	01.4711	100269	01.2736	110049	01.1220	110109	01.0023
100142	01.1057	100210	01.4499	100270	00.9359	110050	01.1666	110111	01.0037
100143	01.0750	100211	01.2865	100271	01.4714	110051	00.8735	110112	00.9935
100144	01.1603	100212	01.4435	100273	01.1938	110052	00.8643	110113	01.0220
100145	01.2850	100213	01.4527	100275	01.1852	110054	01.1904	110114	01.0908
100146	01.1469	100217	01.1836	100276	01.4188	110055	00.9150	110115	01.4000
100147	01.1015	100218	00.8521	100277	01.0876	110056	00.9983	110117	01.0807
100149	01.3118	100219	01.4236	110001	01.1855	110059	01.2631	110118	00.8758
100150	01.3079	100220	01.7367	110002	01.2385	110061	00.9498	110120	01.0312
100151	01.7222	100221	01.5785	110003	01.2010	110062	00.9716	110121	00.9455
100152	01.2745	100222	01.2975	110004	01.2196	110063	01.0200	110122	01.2638
100154	01.4128	100223	01.3765	110005	01.2143	110064	01.1488	110123	01.0004
100156	01.1407	100224	01.2730	110006	01.2597	110065	01.0598	110124	01.0716
100157	01.4532	100225	01.2705	110007	01.3932	110066	01.2361	110125	01.0982
100159	01.0045	100226	01.2954	110008	01.2070	110069	01.1073	110127	00.9943
100160	01.1824	100227	01.0456	110009	01.0862	110070	00.9457	110128	01.1220
100161	01.3840	100228	01.1470	110010	01.8597	110071	01.0141	110129	01.3906
100162	01.2877	100229	01.5492	110011	01.1718	110072	00.9599	110130	00.9522
100164	00.8874	100230	01.2322	110013	01.0407	110073	01.0934	110131	01.0446
100165	00.9421	100231	01.5600	110014	01.1945	110074	01.2554	110132	01.0250
100166	01.3883	100232	01.1481	110015	01.0769	110075	01.1901	110133	00.9943
100167	01.3614	100234	01.2745	110016	01.1713	110076	01.2976	110134	00.9027
100168	01.2811	100235	01.2834	110017	00.9826	110077	01.0745	110135	01.0634
100169	01.6883	100236	01.3543	110018	01.1196	110078	01.4575	110136	01.0781
100170	01.2772	100237	01.8752	110020	01.1730	110079	01.0861	110140	00.8730
100172	01.2937	100238	01.3728	110023	01.1619	110080	01.1428	110141	00.9543
100173	01.2910	100239	01.4492	110024	01.2942	110081	01.0281	110142	01.0970
100174	01.5126	100240	00.7592	110025	01.2349	110082	01.7386	110143	01.1982

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: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
110144	01.1640	120005	01.1356	130043	01.0512	140048	01.1708	140109	01 0549
110146	00.9117	120006	01.1527	130044	00.9969	140049	01.2755	140110	01.2463
110149	01.0193	120007	01.5290	130045	00.9419	140051	01.1894	140112	01.1062
110150	01.2057	120009	00.9665	130048	00.9535	140052	01.1862	140113	01.4479
110151	01.1030	120010	01.5026	130049	01.2429	140053	01.5650	140114	01.2201
110152	01.0058	120011	01.3065	130050	00.5284	140054	01.3099	140115	01.1245
110153	00.9690	120012	00.9564	130051	01.0739	140055	01.0077	140116	01.2571
110154	00.9581	120014	01.1636	130054	01.0179	140058	01.0973	140117	01.1735
110155	01.0127	120015	00.9841	130056	01.0284	140059	01.0969	140118	01.4411
110156	01.0147	120016	00.9387	130058	00.9011	140061	01.1045	140119	01.4783
110157	01.2523	120018	00.8357	140001	01.3057	140062	01.2329	140120	01.2866
110161	01.1883	120019	01.0579	140002	01.1975	140063	01.2607	140121	00.9435
110162	00.8557	120021	00.9516	140003	00.9277	140064	01.2316	140122	01.3230
110163	01.2574	120022	01.5503	140004	01.0768	140065	01.2234	140123	01.2074
110164	01.2962	120024	01.1219	140005	00.9123	140066	01.0941	140124	01.1727
110165	01.1709	120026	01.2847	140007	01.2114	140067	01.5624	140125	01.2031
110166	01.3252	130001	00.9584	140008	01.3127	140068	01.2587	140126	01.4750
110168	01.4302	130002	01.3531	140010	01.3210	140069	01.1132	140127	01.2274
110169	00.7109	130003	01.2525	140011	01.1262	140070	01.4378	140128	01.0605
110171	01.2889	130005	01.3613	140012	01.2300	140072	01.1190	140129	01.0392
110172	01.1395	130006	01.6123	140013	01.2971	140074	01.0280	140130	01.1415
110174	00.9806	130007	01.4871	140014	00.9862	140075	01.3421	140132	01.4183
110175	01.0288	130008	00.9147	140015	01.1702	140077	01.0825	140133	01.3756
110176	01.1370	130009	01.0890	140016	01.0458	140079	01.2011	140135	01 1769
110177	01.3553	130010	00.8872	140017	01.3246	140080	01.6484	140137	00 9964
110178	01.0267	130011	01.2754	140018	01.3238	140081	01.1047	140138	01 1533
110179	01.1374	130012	00.9086	140019	00.9881	140082	01.2932	140139	01.0807
110181	00.9801	130013	01.2539	140023	01.0985	140083	01.2026	140140	01.0376
110183	01.2041	130014	01.2764	140024	00.9970	140084	01.2465	140141	01.0241
110184	01.2255	130015	01.0967	140025	01.1227	140085	01.0991	140143	01.0825
110185	01.1193	130016	00.9772	140026	01.1493	140086	01.1426	140144	01.0469
110186	01.1307	130017	01.0217	140027	01.1281	140087	01.3394	140145	01.1210
110187	01.0275	130018	01.4874	140029	01.2657	140088	01.4906	140146	00.9842
110188	01.2501	130019	01.2285	140030	01.4152	140089	01.1857	140147	01.0916
110189	01.0721	130021	01.0541	140031	00.9808	140090	01.3111	140148	01.4446
110190	01.1061	130022	01.2337	140032	01.1454	140091	01.3968	140150	01.3533
110191	01.1477	130024	01.1539	140033	01.2202	140093	01.2275	140151	01.1685
110192	01.2675	130025	00.9612	140034	01.1503	140094	01.1824	140152	01.1072
110193	01.0797	130026	01.1077	140035	01.0102	140095	01.2670	140154	01.2069
110194	00.9481	130027	00.8762	140036	01.1220	140097	00.9851	140155	01.2135
110195	01.0727	130028	01.2052	140037	01.0171	140098	01.2741	140156	00.9089
110198	01.3037	130029	01.0747	140038	01.0740	140099	01.2359	140158	01.3147
110200	01.6468	130030	01.0155	140039	01.1013	140100	01.2239	140159	01.2095
110201	01.2673	130031	01.0763	140040	01.2344	140101	01.1030	140160	01.2666
110202	01.0334	130034	00.9493	140041	01.0701	140102	00.9942	140161	01.0598
110203	00.9994	130035	01.0458	140042	01.0327	140103	01.1516	140162	01.2094
120001	01.5593	130036	01.1890	140043	01.1792	140104	00.9648	140164	01.1818
120002	01.1113	130037	01.2148	140045	00.9886	140105	01.2520	140165	01.0479
120003	01.0818	130039	01.1331	140046	01.2010	140107	00.9235	140166	01.1721
120004	01.3932	130040	00.9881	140047	01.0533	140108	01.1448	140167	01.0994

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
140168	01.0577	140234	01.1694	150018	01.1802	150073	00.9819	150135	00.8526
140170	01.0166	140236	01.1261	150019	01.2466	150074	01.4322	150136	00.9957
140171	00.9197	140239	01.5007	150020	01.0385	150075	01.2706	160001	01.1436
140172	01.4523	140240	01.1972	150021	01.5271	150076	01.0384	160002	01.3432
140173	01.0091	140241	00.9361	150022	01.1494	150077	01.1243	160003	01.0847
140174	01.2728	140242	01.3691	150023	01.3627	150078	01.0775	160005	01.0998
140176	01.1592	140243	00.9403	150024	01.2171	150079	01.0733	160007	01.1083
140177	01.2501	140245	01.0356	150025	01.3568	150081	01.0067	160008	01.1097
140179	01.2378	140246	01.0932	150026	01.1426	150082	01.3567	160009	01.1606
140180	01.4011	140247	00.9770	150027	01.0481	150083	00.7427	160012	01.1859
140181	01.2058	140250	01.2587	150029	01.1181	150084	01.5824	160013	01.1604
140182	01.3168	140251	01.3081	150030	01.1492	150085	00.9739	160014	01.0293
140184	01.1210	140252	01.2426	150031	01.0025	150086	01.2416	160016	01.2248
140185	01.3086	140253	01.3544	150032	01.6063	150088	01.1858	160018	00.9219
140186	01.1979	140258	01.2801	150033	01.4818	150089	01.2597	160020	01.1385
140187	01.3281	140271	01.0511	150034	01.2457	150090	01.3399	160021	01.0894
140188	00.9595	140273	01.1542	150035	01.3201	150091	01.1039	160023	01.1708
140189	01.1031	140275	01.2242	150036	01.0243	150092	01.0879	160024	01.2391
140190	01.0701	140276	01.8329	150037	01.2230	150094	01.0072	160025	01.6395
140191	01.2022	140280	01.1573	150038	01.1998	150095	01.0421	160026	01.1122
140192	01.1695	140281	01.4238	150039	01.0602	150096	01.0332	160027	01.1849
140193	00.9754	140285	01.2399	150042	01.2282	150097	01.0621	160028	01.2448
140197	01.3679	140286	01.1743	150043	01.1375	150098	01.0008	160029	01.2291
140199	01.0430	140288	01.5162	150044	01.1868	150099	01.3086	160030	01.2455
140200	01.3881	140289	01.3092	150045	01.1204	150100	01.4904	160031	01.1438
140202	01.2252	140290	01.4113	150046	01.2905	150101	01.0969	160032	01.0689
140203	01.1560	140291	01.2096	150047	01.4554	150102	01.0269	160033	01.2425
140204	01.1508	140292	01.3480	150048	01.2132	150103	01.0628	160034	01.0265
140205	01.0154	140293	00.9171	150049	01.0556	150104	01.1253	160035	01.0989
140206	01.1178	140294	01.1193	150050	01.0646	150105	01.1475	160036	01.1774
140207	01.2508	140295	00.9693	150051	01.2467	150106	01.0651	160037	01.0852
140208	01.4133	140297	01.3437	150052	01.0723	150109	01.3220	160038	01.2033
140209	01.4421	140298	01.5198	150053	01.0896	150110	00.8670	160039	01.0275
140210	01.0310	140299	00.9769	150054	01.1481	150111	01.1176	160040	01.2110
140211	01.1563	150001	01.1256	150056	01.5529	150112	01.1936	160041	01.1480
140212	01.1636	150002	01.2781	150057	02.4656	150113	01.1577	160043	01.0824
140213	01.2179	150003	01.5580	150058	01.4175	150114	01.0585	160044	01.3005
140215	01.1349	150004	01.2179	150059	01.1132	150115	01.2547	160045	01.4938
140217	01.2376	150005	01.1929	150060	01.1890	150122	01.1298	160046	01.0543
140218	01.0235	150006	01.2115	150061	01.1190	150123	00.9813	160047	01.3170
140220	01.1773	150007	01.1289	150062	00.9999	150124	01.1714	160048	01.0393
140223	01.4024	150008	01.3408	150063	01.1720	150125	01.3437	160049	00.8776
140224	01.3293	150009	01.2976	150064	01.1049	150126	01.5249	160050	01.0974
140226	00.9171	150010	01.1680	150065	01.1512	150127	01.1265	160051	01.3159
140228	01.5412	150011	01.2048	150066	01.1236	150128	01.1620	160052	01.0222
140229	01.0527	150012	01.4625	150067	00.9932	150129	01.2613	160053	01.1392
140230	01.0130	150013	01.0078	150069	01.2900	150130	01.1980	160054	01.0329
140231	01.3228	150014	01.2760	150070	01.0371	150132	01.3924	160055	01.0091
140232	00.9913	150015	01.1731	150071	01.2441	150133	01.2176	160056	01.0577
140233	01.4882	150017	01.4823	150072	01.2298	150134	01.2964	160057	01.3165

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
160058	01.5402	160114	01.0812	170024	01.2412	170084	00.9435	170146	01.2848
160059	01.2098	160115	01.1066	170025	01.3096	170085	01.0803	170147	01.2234
160060	01.1037	160116	01.1620	170026	01.0506	170086	01.4689	170148	01.2909
160061	01.0136	160117	01.2746	170027	01.1975	170087	01.3412	170150	01.0424
160062	01.1112	160118	01.0589	170030	00.9770	170088	00.9852	170151	01.1264
160063	01.1782	160119	00.9089	170031	00.9751	170089	01.0440	170152	01.0103
160064	01.3354	160120	01.0546	170032	01.1135	170090	01.0051	170159	00.9485
160065	01.1438	160122	01.1417	170033	01.1911	170092	00.9641	170160	00.9989
160066	01.0690	160123	01.1026	170034	00.9902	170093	01.0803	170164	01.2114
160067	01.2265	160124	01.1946	170035	00.9321	170094	01.0196	170166	01.1669
160068	01.0422	160126	01.1156	170036	00.9206	170095	01.1896	170168	01.0395
160069	01.3142	160129	01.1654	170037	01.1160	170097	00.9710	170170	01.1567
160070	01.0834	160130	01.0651	170038	01.0472	170098	01.0678	170171	01.1272
160071	01.1216	160131	01.1653	170039	01.1353	170099	01.2463	170172	00.9464
160072	01.1197	160132	01.0873	170040	01.3678	170100	00.8680	170173	01.0066
160073	00.9821	160133	01.0779	170041	01.0361	170101	01.1316	170174	00.9283
160074	01.0122	160134	00.9594	170043	01.0531	170102	01.0528	170175	01.2478
160075	01.0411	160135	00.9734	170044	01.2834	170103	01.2168	170176	01.3482
160076	00.9380	160138	01.0298	170045	01.0561	170104	01.3567	180001	01.1507
160077	01.0483	160140	01.0581	170046	00.9405	170105	01.0459	180002	01.0778
160079	01.2804	160141	01.0220	170049	01.2589	170106	01.1417	180004	01.1563
160080	01.0891	160142	01.1717	170050	00.9226	170108	01.1725	180005	01.0694
160081	01.1705	160143	01.1003	170051	01.0603	170109	01.1199	180006	00.8868
160082	01.5967	160145	01.0617	170052	01.0808	170110	01.0019	180007	01.3157
160083	01.4176	160146	01.2835	170053	00.9835	170112	00.9897	180009	01.1243
160085	01.0587	160147	01.2559	170054	01.2141	170113	01.1113	180010	01.5892
160086	01.0079	160151	01.0759	170055	00.9685	170114	01.0745	180011	01.1732
160088	01.1089	160152	01.1203	170056	01.0168	170115	01.1392	180012	01.2098
160089	01.2073	160153	01.4749	170057	01.0640	170116	01.1785	180013	01.2842
160090	01.0371	170001	01.1833	170058	01.0706	170117	01.0031	180014	01.5686
160091	01.0883	170003	01.1858	170060	00.9536	170119	01.0136	180015	01.1021
160092	00.9950	170004	01.1455	170061	01.1089	170120	01.2320	180016	01.2474
160093	01.0016	170006	01.1615	170062	00.9843	170121	00.8371	180017	01.2313
160094	01.1479	170007	01.1692	170063	00.9046	170122	01.7593	180018	01.2371
160095	01.1317	170008	01.0116	170064	01.2699	170123	01.4531	180019	01.1516
160097	01.1810	170009	01.1311	170066	00.9438	170124	01.1134	180020	01.0352
160098	01.0798	170010	01.1846	170067	01.0645	170125	00.9277	180021	00.9445
160099	01.1266	170011	01.2920	170068	01.1630	170126	00.9552	180023	00.8910
160101	01.2150	170012	01.3973	170069	00.9511	170128	01.1043	180024	01.0268
160102	01.2843	170013	01.2781	170070	00.9581	170131	01.1500	180025	01.1299
160103	00.9560	170014	01.1064	170072	01.0031	170133	01.1630	180026	01.0564
160104	01.1592	170015	01.0940	170073	01.2035	170134	01.0014	180027	01.0856
160106	01.0775	170016	01.4774	170074	01.1628	170137	01.1645	180028	00.9862
160107	01.0966	170017	01.1689	170075	00.8810	170138	01.2769	180029	01.1996
160108	01.2379	170018	01.0426	170076	01.0844	170139	01.0100	180030	01.0490
160109	00.9846	170019	01.2524	170077	01.0595	170140	01.0099	180031	01.0439
160110	01.4070	170020	01.1882	170079	00.9649	170142	01.2066	180032	00.8410
160111	01.2053	170021	00.9790	170080	00.9874	170143	01.1422	180033	01.0639
160112	01.2700	170022	01.1401	170081	01.1785	170144	01.3968	180034	01.0383
160113	01.1049	170023	01.3291	170082	00.9772	170145	01.1742	180035	01.3356

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
180036	01.0687	180108	00.9186	190036	01.5368	190125	01.2644	190194	01.1102
180037	01.2897	180115	01.0896	190037	00.9722	190127	01.3345	190195	00.9706
180038	01.2461	180116	01.2067	190039	01.3551	190128	00.8934	190196	00.9642
180040	01.7032	180117	01.2632	190040	01.3397	190130	00.9636	190197	01.1753
180041	01.0201	180118	01.0180	190041	01.4402	190131	01.1187	190198	01.1126
180042	01.0090	180120	00.9303	190043	01.0969	190132	01.0605	190199	01.3757
180043	01.1180	180121	01.1102	190044	01.0597	190133	01.0377	190200	01.4827
180044	01.0904	180122	00.9916	190045	01.2063	190134	00.9196	190201	01.1140
180045	01.1453	180123	01.3225	190046	01.3669	190135	01.3222	190202	01.2576
180046	01.0690	180124	01.2787	190047	01.1164	190136	00.9948	190203	01.5858
180047	00.9762	180125	01.0080	190048	01.0704	190138	00.7772	190204	01.3541
180048	01.0833	180126	01.0218	190049	01.0366	190140	00.9961	190205	01.2226
180049	01.2553	180127	01.1198	190050	01.0480	190142	01.0754	190206	01.3930
180050	01.2226	180128	01.0671	190053	01.0517	190144	01.1401	190207	01.1591
180051	01.2196	180129	01.1937	190054	01.3122	190145	00.9977	190208	00.8257
180053	00.8955	180130	01.3398	190059	00.9717	190146	01.4387	190209	00.8899
180054	01.0354	180132	01.2937	190060	01.2336	190147	00.9729	190210	00.8947
180055	01.0310	180133	01.2240	190064	01.4011	190148	00.8533	190211	00.9553
180056	01.0412	180134	01.1838	190065	01.4048	190149	01.0324	200001	01.3235
180058	00.8960	180136	01.3049	190071	00.9626	190151	01.1474	200002	01.0209
180059	00.9807	180137	01.7419	190075	01.2643	190152	01.3196	200003	00.9648
180060	00.9569	180138	01.2334	190077	00.9544	190155	00.9795	200005	00.9143
180062	00.8958	180139	01.0111	190078	01.1466	190156	00.9114	200006	01.0227
180063	01.0023	190001	01.0309	190079	01.2650	190158	01.1926	200007	00.9674
180064	01.1050	190002	01.5392	190081	00.8858	190160	01.1152	200008	01.2225
180065	00.9501	190003	01.2775	190083	00.9001	190161	01.0166	200009	01.6179
180066	01.1037	190004	01.1770	190086	01.1812	190162	01.1529	200012	01.1270
180067	01.5632	190005	01.1889	190088	01.1975	190164	01.1108	200013	01.1411
180069	01.1060	190006	01.2253	190089	01.1150	190165	00.9755	200015	01.2514
180070	01.0864	190007	01.0490	190090	01.2297	190166	01.0292	200016	01.0673
180072	01.0829	190008	01.3987	190092	01.1140	190167	01.3193	200017	01.2092
180075	00.9908	190009	01.0488	190095	01.0226	190170	00.9774	200018	01.1656
180078	01.1008	190010	01.0881	190098	01.3092	190173	01.3513	200019	01.2521
180079	00.9938	190011	01.1360	190099	01.2673	190175	01.1951	200020	01.0386
180080	01.1554	190012	01.0385	190102	01.4085	190176	01.3614	200021	01.1120
180081	01.3294	190013	01.2282	190103	00.9510	190177	01.4008	200023	00.9190
180085	01.2477	190014	01.0022	190106	01.1608	190178	00.9743	200024	01.1509
180087	01.0062	190015	01.2017	190109	01.0356	190179	00.8637	200025	01.1526
180088	01.5167	190017	01.2395	190110	00.9362	190180	01.0820	200026	01.0406
180092	01.1394	190018	01.2415	190111	01.4579	190182	01.0652	200027	01.1724
180093	01.2747	190019	01.4269	190112	01.2851	190183	01.1496	200028	01.0166
180094	00.9770	190020	01.1250	190113	01.1876	190184	00.9755	200031	01.1581
180095	01.1093	190023	00.9679	190114	01.0336	190185	01.2346	200032	01.2492
180099	01.0081	190025	01.2231	190115	01.2631	190186	00.9314	200033	01.6822
180101	01.2740	190026	01.2388	190116	01.1992	190187	00.9967	200034	01.2023
180102	01.3272	190027	01.3877	190118	01.0582	190188	00.9817	200037	01.1394
180103	01.5863	190029	01.2962	190119	01.0505	190189	01.2738	200038	01.0837
180104	01.3619	190033	00.9281	190120	00.9341	190190	01.0307	200039	01.2687
180105	00.9408	190034	01.2027	190122	01.2070	190191	01.1686	200040	01.0699
180106	00.8695	190035	01.3524	190124	01.3258	190193	01.1500	200041	01.1448

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
200043	00.7025	210044	01.2091	220051	01.1537	220117	00.9842	230047	01.1750
200044	01.1668	210045	01.0520	220052	01.2383	220118	01.7887	230051	00.9857
200047	00.9898	210046	01.1107	220053	01.1956	220119	01.2941	230053	01.3565
200050	01.1695	210047	00.7927	220055	01.1860	220120	00.9806	230054	01.4534
200051	01.0233	210048	01.0993	220057	01.3020	220123	00.9373	230055	01.1068
200052	01.1209	210049	01.2145	220058	01.0741	220126	01.2507	230056	00.9786
200055	01.0892	210051	01.2405	220060	01.0919	220128	01.1658	230058	01.1592
200058	00.8343	210054	01.2330	220061	01.2575	220129	01.0857	230059	01.4289
200062	01.0032	210055	01.1804	220062	00.9648	220131	01.1452	230060	01.1484
200063	01.2228	210056	01.3688	220063	01.1386	220133	01.1117	230062	01.1023
200066	01.2390	210057	01.1427	220064	01.1740	220135	01.0875	230063	01.2395
210001	01.2501	210058	01.6413	220065	01.1227	220153	01.0546	230065	01.2535
210002	01.6712	210059	01.1896	220066	01.2600	220154	00.9687	230066	01.2129
210003	01.2067	220001	01.1422	220067	01.2037	220156	01.1853	230068	01.2845
210004	01.2485	220002	01.3407	220068	00.6459	220162	01.2200	230069	01.1629
210005	01.2318	220003	01.0324	220070	01.1197	220163	01.7981	230070	01.3118
210006	01.0573	220004	01.1999	220071	01.6641	220171	01.3786	230071	00.6699
210007	01.4182	220006	01.2064	220073	01.2047	230001	01.2323	230072	01.1470
210008	01.1870	220008	01.2131	220074	01.1243	230002	01.2077	230075	01.2597
210009	01.3973	220010	01.1764	220075	00.7390	230003	01.1491	230076	01.1769
210010	01.1366	220011	01.2601	220076	01.1662	230004	01.5727	230077	01.8058
210011	01.2499	220012	01.2405	220077	01.5316	230005	01.1605	230078	01.0548
210012	01.2025	220015	01.2129	220079	01.1917	230006	00.9841	230080	01.2440
210013	01.2634	220016	01.2100	220080	01.1635	230007	01.0734	230081	01.2066
210015	01.2161	220017	01.2097	220081	01.0356	230012	00.9495	230082	01.1007
210016	01.5942	220019	01.1495	220082	01.2313	230013	01.2402	230084	01.1230
210017	01.1142	220020	01.1293	220083	01.1427	230014	01.0138	230085	01.1116
210018	01.2700	220021	01.1522	220084	01.1847	230015	01.1000	230086	00.9965
210019	01.2850	220022	00.5978	220086	01.5284	230017	01.4863	230087	01.0974
210021	01.1688	220023	01.2283	220088	01.5152	230019	01.4011	230089	01.2710
210022	01.1773	220024	01.2116	220089	01.2876	230020	01.3540	230090	01.3723
210023	01.2358	220025	01.1056	220090	01.1699	230021	01.2849	230092	01.2439
210024	01.2062	220026	01.2352	220092	01.2123	230022	01.2480	230093	01.0746
210025	01.1732	220028	01.3247	220094	01.1998	230024	01.5186	230095	01.0951
210026	01.2683	220029	01.1407	220095	01.0978	230027	01.0881	230096	01.1105
210027	01.1891	220030	01.0549	220097	01.0513	230029	01.4295	230097	01.2877
210028	01.0232	220031	01.6263	220098	01.2089	230030	01.2198	230098	01.2397
210029	01.2412	220033	01.1828	220099	01.1370	230031	01.3748	230099	01.1794
210030	01.0485	220034	01.1129	220100	01.2766	230032	01.8168	230100	01.0930
210031	01.6206	220035	01.1736	220101	01.2656	230034	01.1514	230101	01.0971
210032	01.0832	220036	01.4453	220104	01.2132	230035	01.1081	230102	00.5099
210033	01.1088	220038	01.2592	220105	01.1395	230036	01.2285	230103	01.0953
210034	01.1758	220040	01.2557	220106	01.1043	230037	00.9711	230104	01.3930
210035	01.1106	220041	01.1348	220107	01.1295	230038	01.5619	230105	01.4932
210036	01.2195	220042	01.1574	220108	01.0890	230039	01.2602	230106	01.1404
210037	01.2233	220045	01.1821	220110	01.8019	230040	01.2634	230107	00.9578
210038	01.2996	220046	01.2992	220111	01.1749	230041	01.1044	230108	01.1331
210039	01.1054	220048	01.1768	220114	01.0513	230042	01.1407	230110	01.1375
210040	01.2800	220049	01.1827	220115	01.3024	230043	00.9089	230111	01.0285
210043	01.1576	220050	01.0461	220116	01.7265	230046	01.5944	230113	00.9980

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TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
230114	00.8065	230178	01.0542	230275	01.0276	240059	01.1342	240116	00.9375
230115	00.9314	230179	00.9605	230276	01.0694	240061	01.4787	240117	01.1699
230116	00.9229	230180	01.1242	230277	01.1968	240062	01.0443	240118	01.0450
230117	01.7694	230181	00.9969	240001	01.4702	240063	01.3533	240119	00.8478
230118	01.2233	230184	01.1878	240002	01.5687	240064	01.2119	240121	00.9231
230119	01.1227	230186	00.9581	240003	01.2883	240065	01.0403	240122	01.0250
230120	01.0766	230188	01.1277	240004	01.3484	240066	01.3047	240123	01.0263
230121	01.2383	230189	00.9653	240005	00.9129	240069	01.1863	240124	01.0062
230122	01.2878	230190	01.0709	240006	01.2565	240071	01.1110	240125	00.9505
230124	01.1471	230191	00.9283	240007	01.0496	240072	01.0250	240127	01.0159
230125	01.3452	230193	01.3201	240008	01.0930	240073	01.0230	240128	01.0962
230128	01.4109	230194	01.2251	240009	01.0899	240074	01.0331	240129	00.8985
230129	01.8086	230195	01.3285	240010	01.7892	240075	01.2209	240130	01.0164
230130	01.4653	230197	01.2360	240011	01.0358	240076	01.1059	240132	01.1981
230132	01.2962	230199	01.1773	240013	01.2416	240077	00.9878	240133	01.1660
230133	01.1891	230201	01.1248	240014	01.0949	240078	01.3191	240134	00.9783
230134	01.1321	230204	01.3331	240016	01.3502	240079	01.1396	240135	00.9510
230135	01.2414	230205	01.1469	240017	01.2073	240080	01.3388	240136	00.8972
230137	01.0971	230207	01.1601	240018	01.2569	240081	01.2179	240137	01.1497
230138	00.9215	230208	01.2357	240019	01.4027	240082	01.2372	240138	00.9367
230140	01.0952	230211	00.9828	240020	01.2323	240083	01.2229	240139	01.0592
230141	01.4238	230212	01.1276	240021	00.9967	240084	01.2566	240140	00.9092
230142	01.1832	230213	01.0045	240022	01.0473	240085	00.9338	240141	00.9744
230143	01.3190	230216	01.3443	240023	01.0337	240086	01.1132	240142	01.0514
230144	01.1546	230217	01.2157	240025	01.2184	240087	01.1389	240143	01.0879
230145	01.1848	230219	00.9243	240026	01.2879	240088	01.4245	240144	01.0443
230146	01.1685	230221	01.2515	240027	01.0578	240089	01.0093	240145	00.9515
230147	01.2640	230222	01.2743	240028	01.1350	240090	01.1230	240146	01.0090
230149	01.2123	230223	01.3035	240029	01.1636	240091	01.0834	240148	00.9493
230150	01.6646	230224	01.1258	240030	01.3175	240093	01.2840	240150	00.9890
230151	01.3460	230227	01.2871	240031	00.9026	240094	01.0019	240152	00.9382
230153	01.0334	230228	01.2144	240036	01.3896	240096	01.0454	240153	00.9694
230154	01.1256	230230	01.3154	240037	01.0664	240097	01.0610	240154	01.0159
230155	01.0066	230232	00.9962	240038	01.4110	240098	00.9913	240155	01.0704
230156	01.4843	230235	01.0581	240040	01.1276	240099	01.0446	240156	00.9143
230157	01.3884	230236	01.2816	240041	01.1474	240100	01.2163	240157	01.0529
230158	00.9976	230237	01.1455	240043	01.1363	240101	01.2282	240158	01.2005
230159	01.2300	230239	01.1894	240044	01.1060	240102	01.0668	240160	00.9132
230161	00.9346	230241	01.1173	240045	01.0725	240103	01.1695	240161	00.9464
230162	00.9963	230244	01.3030	240046	01.5108	240104	01.2059	240162	01.0598
230163	01.0125	230253	01.0689	240047	01.2903	240105	00.9579	240163	00.8983
230165	01.6116	230254	01.2426	240048	01.2744	240106	01.2603	240165	00.9382
230167	01.2576	230256	00.9964	240049	01.5540	240107	00.9647	240166	01.1247
230169	01.2775	230257	01.0059	240050	01.0018	240108	01.0898	240167	00.8610
230171	01.0798	230259	01.0841	240051	00.9837	240109	01.0855	240169	00.9685
230172	01.2147	230264	01.2600	240052	01.2042	240110	01.1412	240170	01.1485
230173	01.2425	230266	01.3190	240053	01.4588	240111	01.0165	240171	01.0681
230174	01.2512	230269	01.2335	240056	01.3079	240112	01.1681	240172	01.1738
230175	01.0576	230270	01.2407	240057	01.6568	240114	01.1264	240173	01.0898
230176	01.2093	230273	01.3490	240058	01.0040	240115	01.3473	240175	00.7990

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: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
240176	00.9388	250042	01.1307	250105	00.9146	260019	01.0277	260082	01.1776
240179	01.0647	250043	00.8964	250107	00.9234	260020	01.4729	260085	01.4139
240180	01.0219	250044	01.1519	250109	01.0055	260021	01.2621	260086	01.0350
240183	01.0891	250045	01.0976	250110	00.9934	260022	01.3964	260088	01.1315
240184	00.9891	250046	01.0486	250111	00.9000	260023	01.2824	260089	01.0664
240187	01.2032	250047	00.9506	250112	00.9754	260024	01.0993	260090	01.3259
240192	01.0128	250048	01.2522	250113	01.0496	260025	01.2271	260091	01.5340
240193	01.0389	250049	00.9889	250114	00.7982	260026	00.9988	260092	01.0626
240198	01.2886	250050	01.1052	250117	01.0535	260027	01.4568	260094	01.0904
240200	00.8876	250051	00.8971	250118	01.1223	260029	01.1707	260095	01.3711
240201	01.0571	250057	01.1018	250119	01.0064	260030	01.1583	260096	01.3100
240205	00.9049	250058	01.0797	250120	01.0176	260031	01.3260	260097	01.1917
240206	00.9149	250059	01.0194	250121	01.1080	260032	01.5075	260100	01.1981
240207	01.2197	250060	00.8368	250122	01.2049	260033	01.3076	260102	01.0101
240210	01.2775	250061	00.9649	250123	01.1063	260034	01.0165	260103	01.2784
250001	01.3382	250062	00.8949	250124	00.8888	260035	00.9990	260104	01.5398
250002	00.8604	250063	00.8950	250125	01.1481	260036	01.0175	260105	01.7819
250003	00.8934	250065	00.9546	250126	00.9945	260037	01.2431	260107	01.2828
250004	01.3547	250066	00.9178	250127	00.8592	260039	01.2757	260108	01.6515
250005	00.9858	250067	01.0560	250128	01.0867	260040	01.4311	260109	01.0253
250006	01.0467	250068	00.8537	250129	01.0530	260041	00.8974	260110	01.4294
250007	01.1452	250069	01.2402	250131	00.9850	260042	01.1722	260111	01.0758
250008	00.9622	250071	00.9814	250132	00.9921	260044	01.0884	260112	01.4195
250009	01.0803	250072	01.1565	250133	00.8398	260047	01.2646	260113	01.1731
250010	01.1392	250073	00.9685	250134	01.0833	260048	01.2140	260115	01.2037
250012	00.9557	250075	00.9111	250136	00.9040	260049	00.9357	260116	01.1112
250014	01.1600	250076	00.9638	250137	00.9015	260050	01.0609	260119	01.2246
250015	00.9840	250077	00.9518	250138	01.0651	260051	01.1479	260120	01.2673
250016	00.8737	250078	01.3680	250139	00.9462	260052	01.1631	260122	01.1722
250017	00.9675	250079	00.8699	250140	00.8313	260053	01.1023	260123	00.9586
250018	01.0905	250081	01.1495	250141	01.2419	260054	01.3361	260127	00.9931
250019	01.2280	250082	01.1987	250142	00.8325	260055	01.1631	260128	01.0355
250020	00.9941	250083	00.8943	260001	01.5356	260057	01.0654	260129	01.1208
250021	00.9206	250084	01.1150	260002	01.3397	260059	01.0091	260131	01.2482
250023	00.8798	250085	00.9811	260003	01.0238	260061	01.0892	260134	01.1777
250024	00.9805	250086	00.9798	260004	01.0188	260062	01.2279	260137	01.2439
250025	01.0390	250088	01.0912	260005	01.3066	260063	01.1439	260138	01.6428
250027	00.9507	250089	00.9839	260006	01.2151	260064	01.3243	260141	01.7313
250029	00.8737	250091	01.0159	260007	01.1655	260065	01.4369	260142	01.2166
250030	00.9827	250093	01.1392	260008	01.2629	260066	00.9827	260143	01.2000
250031	01.1892	250094	01.1647	260009	01.2084	260067	00.9914	260146	00.9173
250032	01.1934	250095	01.0897	260010	01.5824	260068	01.7510	260147	01.0077
250033	01.0025	250096	01.1133	260011	01.3350	260070	01.0712	260148	00.9196
250034	01.3018	250097	01.1500	260012	01.0143	260073	00.9772	260158	01.1289
250035	00.8808	250098	00.9320	260013	01.0610	260074	01.2368	260159	01.1453
250036	00.9623	250099	01.1936	260014	01.5498	260077	01.3649	260160	01.1326
250037	00.9393	250100	01.1818	260015	01.0650	260078	01.1262	260162	01.1422
250038	00.9014	250101	00.8501	260016	01.1021	260079	01.0967	260163	01.1873
250039	00.9636	250102	01.3941	260017	01.3126	260080	01.0819	260164	01.1468
250040	01.1194	250104	01.2252	260018	00.9970	260081	01.4308	260165	01.0727

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TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
260166	01.1792	270040	01.1502	280026	01.1162	280085	01.3768	290031	00.9189
260172	01.0318	270041	01.0567	280028	00.9359	280088	01.5769	290032	01.3751
260173	01.1649	270043	00.8314	280029	01.0196	280089	00.9331	290033	01.1365
260175	01.1539	270044	01.0354	280030	01.5774	280090	01.0008	300001	01.2678
260176	01.3539	270046	00.9791	280031	01.1374	280091	01.0511	300002	00.9317
260177	01.2700	270047	00.8655	280032	01.1476	280092	00.9405	300003	01.7837
260178	01.3819	270048	01.1094	280033	00.9425	280093	00.9067	300005	01.3601
260179	01.4743	270049	01.2987	280034	01.2570	280094	00.9697	300006	01.2116
260180	01.4618	270050	00.9120	280035	00.9389	280097	00.8903	300007	01.1579
260182	01.1241	270051	01.1894	280037	01.1674	280098	01.0025	300008	01.2642
260183	01.3231	270052	01.0564	280038	01.0906	280101	00.9879	300009	01.1140
260186	01.1566	270053	00.8701	280039	01.0723	280102	00.9539	300010	01.2411
260188	01.1448	270055	00.7288	280040	01.4394	280103	00.9350	300011	01.2222
260189	01.0222	270057	01.0953	280041	00.9531	280104	01.1126	300012	01.3076
260190	01.1717	270058	01.0882	280042	01.1127	280105	01.2092	300013	01.2063
260191	01.1911	270059	00.9161	280043	01.0642	280106	00.9375	300014	01.2416
260193	01.1964	270060	00.9481	280045	01.0525	280107	01.1421	300015	01.0388
260195	01.0286	270063	00.9076	280046	01.0797	280108	01.0490	300016	01.1548
260197	01.1852	270067	01.0653	280047	01.2504	280109	00.9302	300017	01.2419
260198	01.2582	270068	00.8883	280048	01.0832	280110	01.0066	300018	01.2763
260200	01.2123	270071	00.8924	280049	01.0690	280111	01.1782	300019	01.1788
260202	01.2440	270072	00.8188	280050	00.9797	280114	01.0091	300020	01.1642
270002	01.1696	270073	01.0960	280051	01.0840	280115	01.0115	300021	01.2584
270003	01.1658	270074	00.9296	280052	01.0568	280117	01.1098	300022	01.2111
270004	01.7500	270075	00.9373	280054	01.1898	280118	01.1295	300023	01.1714
270006	00.9911	270076	00.8857	280055	01.0060	280119	00.9038	300024	01.2244
270007	00.9422	270079	00.9217	280056	01.0568	280122	00.9363	300028	01.0914
270008	00.9940	270080	01.1284	280057	01.1091	280123	00.7727	300029	01.2239
270009	00.9667	270081	00.9914	280058	01.2306	290001	01.4048	300033	01.1027
270011	01.0956	270082	00.9113	280060	01.3325	290002	01.0156	300034	01.5547
270012	01.3568	270083	01.0348	280061	01.3111	290003	01.5913	310001	01.4679
270013	01.2109	280001	01.1845	280062	01.2018	290005	01.2378	310002	01.6178
270014	01.4503	280003	01.7277	280064	01.0783	290006	01.1047	310003	01.1712
270016	00.8797	280004	01.1553	280065	01.2194	290007	01.6709	310005	01.1678
270017	01.2129	280005	01.3784	280066	01.1243	290008	01.3676	310006	01.1242
270019	00.9146	280009	01.3685	280068	00.9879	290009	01.3734	310008	01.2086
270021	01.1349	280010	01.0665	280070	00.9960	290010	01.0813	310009	01.1374
270023	01.3386	280011	01.0703	280071	00.8609	290011	01.1128	310010	01.1922
270024	01.0472	280012	01.1431	280073	01.0473	290012	01.2531	310011	01.2278
270026	00.9537	280013	01.5002	280074	01.0831	290013	00.9359	310012	01.3668
270027	01.0245	280014	01.1062	280075	01.1669	290014	00.9727	310013	01.2725
270028	01.0806	280015	01.0559	280076	00.9679	290015	00.9929	310014	01.4615
270029	01.0690	280017	01.1886	280077	01.2907	290016	01.1133	310015	01.4401
270030	00.9857	280018	01.0081	280078	01.0121	290018	00.7692	310016	01.1670
270031	00.9266	280020	01.3955	280079	00.9504	290019	01.2513	310017	01.2973
270032	01.1089	280021	01.1794	280080	00.9439	290020	00.9956	310018	01.0795
270033	00.9464	280022	00.9832	280081	01.3454	290021	01.4523	310019	01.4540
270035	01.0579	280023	01.3083	280082	01.2481	290022	01.5790	310020	01.1553
270036	00.8793	280024	00.8944	280083	01.0333	290027	01.0528	310021	01.2068
270039	00.9929	280025	00.9698	280084	01.0282	290029	00.8480	310022	01.1981

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
310024	01.1815	310085	01.1581	320046	01.0636	330038	01.2100	330110	00.9878
310025	01.0922	310086	01.1784	320048	01.1902	330039	00.9626	330111	01.1833
310026	01.2393	310087	01.2404	320053	01.0840	330041	01.4856	330114	01.0097
310027	01.1752	310088	01.1938	320056	00.9030	330043	01.1892	330115	01.2270
310028	01.1502	310090	01.1775	320057	01.0267	330044	01.1917	330116	00.9856
310029	01.6562	310091	01.1962	320058	00.9045	330045	01.2420	330118	01.4678
310031	02.2323	310092	01.2250	320059	01.0728	330046	01.4974	330119	01.3395
310032	01.1230	310093	01.1030	320060	00.9393	330047	01.2696	330121	01.0500
310033	01.1811	310096	01.4955	320061	01.1482	330048	01.2616	330122	01.1849
310034	01.1401	310105	01.1078	320062	00.8884	330049	01.3726	330125	01.6813
310036	01.1596	310108	01.1953	320063	01.2403	330053	01.0986	330126	01.1193
310037	01.1894	310110	01.1585	320065	01.1656	330055	01.3026	330127	01.1751
310038	01.4971	310111	01.1986	320067	00.8606	330056	01.2599	330128	01.2533
310039	01.2004	310112	01.1634	320068	01.0015	330057	01.3842	330132	01.2284
310040	01.1370	310113	01.2233	320069	01.1094	330058	01.2432	330133	01.2545
310041	01.2423	310115	01.1608	320070	00.9253	330059	01.4530	330135	01.2032
310042	01.0863	310116	01.2078	320072	00.5207	330061	01.2762	330136	01.3024
310043	01.2074	310118	01.1688	320074	01.0408	330062	01.1222	330140	01.5542
310044	01.2548	310119	01.1540	320076	01.1433	330064	01.3236	330141	01.2134
310045	01.1921	310120	01.0265	320077	00.8077	330065	01.2187	330142	01.2100
310047	01.2547	310121	01.1788	330001	01.1619	330066	01.2104	330144	01.0501
310048	01.1653	310515	00.8705	330002	01.3330	330067	01.2874	330148	01.0907
310049	01.2522	310529	01.7308	330003	01.3425	330072	01.2872	330151	01.1411
310050	01.1972	310534	00.7976	330004	01.2698	330073	01.1770	330152	01.3340
310051	01.2589	320001	01.3459	330005	01.4897	330074	01.2284	330153	01.2957
310052	01.1790	320002	01.2165	330006	01.4403	330075	01.0612	330154	01.3722
310054	01.2847	320003	01.3266	330007	01.2028	330076	01.2676	330155	01.1632
310056	01.1711	320004	01.1384	330008	01.1250	330078	01.3237	330157	01.2678
310057	01.2329	320005	01.2627	330009	01.2024	330079	01.1662	330158	01.2209
310058	01.1589	320006	01.1619	330010	01.2042	330080	01.1964	330159	01.3382
310060	01.1836	320009	01.2820	330011	01.2314	330082	01.2479	330160	01.3431
310061	01.1656	320010	01.2629	330012	01.5216	330084	01.0465	330161	01.1427
310062	01.1109	320011	00.9979	330013	01.8690	330085	01.3375	330162	01.2999
310063	01.2400	320012	01.0680	330014	01.2776	330086	01.2437	330163	01.1836
310064	01.1750	320013	01.0582	330015	01.3259	330088	01.1415	330164	01.3412
310067	01.1939	320014	00.9132	330016	01.0869	330090	01.5507	330165	01.0154
310068	01.2092	320016	01.0971	330019	01.2826	330091	01.2725	330166	01.0254
310069	01.1248	320017	01.1194	330020	01.0763	330092	01.0275	330167	01.4293
310070	01.2223	320018	01.2109	330022	00.9979	330094	01.3447	330168	01.0810
310071	01.1777	320019	01.3344	330023	01.2670	330095	01.2418	330169	01.2801
310072	01.1621	320021	01.5718	330024	01.5882	330096	01.0821	330171	01.2717
310073	01.1767	320022	01.1740	330025	01.1145	330097	01.2556	330174	00.9067
310074	01.2042	320023	01.1441	330027	01.4750	330100	00.5878	330175	01.0842
310075	01.1966	320030	01.0762	330028	01.2954	330101	01.5485	330176	00.9235
310076	01.2571	320031	00.9345	330029	01.2089	330102	01.2557	330177	01.0881
310077	01.4936	320032	00.9976	330030	01.1795	330103	01.1993	330179	01.0028
310078	01.1911	320033	01.0835	330033	01.2867	330104	01.3544	330180	01.3063
310081	01.1601	320035	01.0455	330034	01.1924	330106	01.5441	330181	01.2317
310083	01.1887	320037	01.2329	330036	01.1626	330107	01.2277	330182	02.0545
310084	01.1771	320038	01.2527	330037	01.1158	330108	01.2463	330183	01.3581

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
330184	01.2530	330249	01.1809	330359	01.0712	340027	01.1509	340097	01.0457
330185	01.1774	330250	01.1821	330362	00.7429	340028	01.3644	340098	01.5457
330186	01.1265	330252	00.9571	330363	00.7303	340030	01.7307	340099	01.1919
330188	01.1649	330254	01.0185	330366	00.7231	340031	01.0711	340100	01.2758
330189	00.8124	330257	00.9898	330367	00.6986	340032	01.3485	340101	01.1498
330191	01.2395	330258	01.3225	330368	00.6551	340034	01.3023	340104	00.9347
330193	01.3812	330259	01.2173	330369	00.7063	340035	01.0830	340105	01.3971
330194	01.4832	330261	01.2843	330371	00.7546	340036	01.1019	340106	01.1732
330195	01.5188	330263	01.0995	330372	01.2220	340037	01.1917	340107	01.3208
330196	01.3033	330264	01.1538	330373	00.6543	340038	01.1897	340109	01.3105
330197	01.0561	330265	01.3111	330381	01.2289	340039	01.2124	340111	01.1827
330198	01.2759	330267	01.1980	330383	01.2396	340040	01.6711	340112	01.0043
330199	01.1457	330268	01.1790	330385	01.2095	340041	01.2383	340113	01.8397
330201	01.4040	330270	01.9241	330386	01.2098	340042	01.2556	340114	01.2762
330202	01.1843	330272	00.9854	330387	00.9090	340044	01.0356	340115	01.3266
330203	01.4309	330273	01.2385	330389	01.7944	340045	01.0279	340116	01.4907
330204	01.1968	330275	01.2418	330390	01.1176	340047	01.6713	340119	01.1986
330205	01.1359	330276	01.2576	330391	01.5476	340049	00.6283	340120	01.0815
330208	01.1388	330277	01.0849	330393	01.4862	340050	01.2328	340121	00.9919
330209	01.1522	330279	01.2273	330394	01.2622	340051	01.2692	340122	01.0568
330211	01.1262	330281	00.7834	330395	01.3048	340052	00.9824	340123	01.2147
330212	01.1842	330285	01.6494	330396	01.1992	340053	01.5293	340124	01.1825
330213	01.1572	330286	01.2623	330397	01.3063	340054	01.1033	340125	01.5163
330214	01.5921	330288	01.0906	330398	01.1661	340055	01.1694	340126	01.2745
330215	01.1694	330290	01.5620	330399	01.3076	340060	01.1606	340127	01.2376
330218	01.2663	330291	01.0275	340001	01.2284	340061	01.5708	340129	01.1943
330219	01.3811	330293	01.1328	340002	01.6950	340063	01.1258	340130	01.3281
330221	01.2941	330304	01.2179	340003	01.1782	340064	01.0869	340131	01.3031
330222	01.2487	330306	01.2910	340004	01.3858	340065	01.1159	340132	01.2768
330223	01.0560	330307	01.1347	340005	01.2671	340067	01.0831	340133	01.1919
330224	01.1964	330308	01.3416	340006	01.1399	340068	01.2671	340135	01.1603
330225	01.2538	330309	01.2975	340007	01.1522	340069	01.7139	340136	01.0833
330226	01.3186	330314	01.2044	340008	01.1941	340070	01.2839	340137	01.1804
330229	01.2133	330315	01.1317	340009	01.0599	340071	01.0438	340138	01.1881
330230	01.3079	330316	01.2221	340010	01.2964	340072	01.1150	340141	01.4950
330231	01.1680	330320	01.2028	340011	01.0406	340073	01.2723	340142	01.2404
330232	01.2761	330327	00.9194	340012	01.1329	340075	01.1518	340143	01.2934
330233	01.3686	330331	01.2053	340013	01.2463	340076	01.0718	340144	01.2684
330234	01.7220	330332	01.1994	340014	01.4833	340079	00.9861	340145	01.1827
330235	01.2282	330333	01.1910	340015	01.2541	340080	01.0849	340146	01.0048
330236	01.3731	330335	01.1492	340016	01.1354	340084	01.0538	340147	01.3010
330238	01.1531	330336	01.1596	340017	01.2157	340085	01.2881	340148	01.3629
330239	01.1459	330338	01.1682	340018	01.1595	340087	01.0765	340151	01.1339
330240	01.1253	330339	00.9731	340019	01.1280	340088	01.1122	340153	01.8599
330241	01.6909	330340	01.0744	340020	01.2679	340089	00.9795	340154	00.8963
330242	01.2954	330350	01.6587	340021	01.2694	340090	01.1401	340155	01.3901
330244	01.0581	330351	01.0886	340022	01.0989	340091	01.5320	340156	00.8505
330245	01.2134	330353	01.1874	340023	01.3745	340093	01.0733	340158	01.0947
330246	01.1870	330354	01.0836	340024	01.1969	340094	01.3579	340159	01.2195
330247	00.5508	330357	01.2898	340025	01.1387	340096	01.1239	340160	01.0737

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
340162	01.2329	350058	00.9884	360049	01.2311	360102	01.2238	360161	01.2564
340164	01.2502	350060	01.0631	360050	01.2822	360103	01.2448	360162	01.1481
340166	01.3609	350061	01.0230	360051	01.3973	360104	00.9322	360163	01.5443
340167	00.5703	350063	00.8499	360052	01.4705	360106	01.1467	360164	01.1197
350001	01.0036	350064	01.0183	360053	01.2465	360107	01.1445	360165	01.0520
350002	01.5152	350065	00.9788	360054	01.2374	360108	01.0964	360166	01.0193
350003	01.1492	350066	00.8789	360055	01.1683	360109	01.0918	360168	00.9141
350004	01.7260	350067	00.8789	360056	01.2131	360112	01.4613	360169	00.9933
350005	01.1801	360001	01.1866	360057	00.9907	360113	01.2427	360170	01.0796
350006	01.2520	360002	01.1050	360058	01.1320	360114	01.1125	360171	00.9892
350007	00.9532	360003	01.3793	360059	01.3863	360115	01.1402	360172	01.2611
350008	00.9663	360006	01.5635	360061	00.6032	360116	01.0815	360174	01.1128
350009	01.1266	360007	01.1148	360062	01.4763	360118	01.2300	360175	01.1432
350010	01.0120	360008	01.1919	360063	01.0969	360119	01.1032	360176	01.1972
350011	01.5590	360009	01.2421	360064	01.3577	360120	00.8397	360177	01.0278
350012	00.9793	360010	01.1342	360065	01.2621	360121	01.0911	360178	01.2783
350013	00.9906	360011	01.2746	360066	01.2201	360122	01.2370	360179	01.2095
350014	01.0654	360012	01.3224	360067	01.1736	360123	01.1437	360180	01.8641
350015	01.6281	360013	01.0821	360068	01.3668	360124	01.2090	360184	01.0521
350016	01.0792	360014	01.1862	360069	01.0290	360125	01.0918	360185	01.1868
•350017	01.2964	360015	01.4239	360070	01.2582	360126	01.1957	360186	00.9823
350018	01.0037	360016	01.3417	360071	01.1664	360127	00.9923	360187	01.2590
350019	01.4584	360017	01.5123	360072	01.2226	360128	01.1136	360188	01.0864
350020	01.2482	360018	01.2637	360074	01.2616	360129	01.1506	360189	01.0444
350021	01.0059	360019	01.1696	360075	01.3622	360130	01.1164	360192	01.2099
350023	00.9003	360020	01.2420	360076	01.2091	360131	01.2399	360193	01.2274
350024	00.9973	360021	01.2297	360077	01.3212	360132	01.2071	360194	01.0714
350025	01.1097	360024	01.2453	360078	01.2411	360133	01.3252	360195	01.1707
350027	00.9797	360025	01.1623	360079	01.4087	360134	01.3724	360197	01.1137
350029	00.8821	360026	01.1041	360080	01.2380	360135	01.1142	360200	01.1599
350030	01.1401	360027	01.4418	360081	01.2669	360136	01.0970	360203	01.1661
350031	00.9935	360028	01.2084	360082	01.2618	360137	01.4016	360204	01.1899
350032	01.1044	360029	01.0831	360083	01.1492	360139	01.1078	360210	01.1901
350033	00.9660	360030	01.1541	360084	01.4164	360140	01.0417	360211	01.1057
350034	00.9358	360031	01.2246	360085	01.5887	360141	01.3131	360212	01.3368
350035	00.8538	360032	01.1689	360086	01.2243	360142	01.0430	360213	01.0399
350036	00.9720	360034	01.1342	360087	01.2767	360143	01.1458	360218	01.3012
350038	00.9673	360035	01.3917	360088	01.0838	360144	01.3097	360230	01.2813
350039	00.9398	360036	01.1759	360089	01.0915	360145	01.3362	360231	01.1577
350041	01.0265	360037	01.6438	360090	01.1734	360147	01.2399	360232	01.1015
350042	00.8904	360038	01.3645	360091	01.2950	360148	01.2631	360234	01.1846
350043	01.1664	360039	01.2158	360092	01.2626	360149	01.1222	360236	01.1516
350044	00.8919	360040	01.1171	360093	01.1414	360150	01.1902	360238	01.0690
350047	01.0337	360041	01.2369	360094	01.1930	360151	01.2463	360239	01.1588
350049	01.0002	360042	01.1756	360095	01.2823	360152	01.4011	360240	01.0172
350050	00.8970	360044	01.0969	360096	01.1306	360153	01.1580	360241	00.7841
350051	00.9142	360045	01.3406	360098	01.2919	360154	01.0905	370001	01.6141
350053	00.9169	360046	01.0765	360099	01.0750	360155	01.1262	370002	01.1922
350055	00.8791	360047	01.1226	360100	01.2971	360156	01.1165	370004	01.0548
350058	00.9130	360048	01.4097	360101	01.4661	360159	01.1970	370005	00.9405

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989 PAGE 17 OF 23

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
370006	01.1309	370072	01.0033	370157	01.0050	380033	01.5263	390007	01.2131
370007	01.2614	370076	01.1551	370158	01.0754	380035	01.2120	390008	01.1323
370008	01.2386	370077	01.2997	370159	01.1602	380036	01.0697	390009	01.4000
370011	00.9437	370078	01.4489	370161	00.9875	380037	01.2554	390010	01.1762
370012	00.9538	370079	00.9345	370163	00.9306	380038	01.2191	390011	01.2030
370013	01.3425	370080	00.9890	370165	01.1373	380039	01.4160	390012	01.2548
370014	01.1949	370082	00.9635	370166	01.1042	380040	01.2283	390013	01.1970
370015	01.0813	370083	00.9993	370168	00.9551	380042	01.1333	390014	00.7820
370016	01.2010	370084	00.9463	370169	01.0791	380043	00.9903	390015	01.1050
370017	01.0000	370085	00.9742	370170	00.9898	380044	01.1018	390016	01.1669
370018	01.2020	370086	01.0688	370171	00.9560	380045	01.1317	390017	01.0290
370019	01.0999	370089	01.2751	370172	00.9440	380047	01.4714	390018	01.1994
370020	01.2407	370091	01.4612	370173	00.9790	380048	01.0549	390019	01.0872
370021	00.9654	370092	01.1094	370174	00.9100	380050	01.3163	390021	01.0751
370022	01.2195	370093	01.4689	370176	01.2398	380051	01.2959	390022	01.1528
370023	01.1627	370094	01.1631	370177	01.0181	380052	01.2027	390023	01.1935
370025	01.2499	370095	00.9264	370178	01.0757	380055	01.1861	390024	00.7523
370026	01.3193	370096	00.9759	370179	01.0717	380056	01.0579	390025	00.8521
370028	01.4414	370097	01.2856	370180	01.0704	380059	00.9362	390026	01.2863
370029	01.2401	370099	01.0586	370182	01.0281	380060	01.3429	390027	01.5170
370030	01.2928	370100	01.0772	370183	01.0893	380061	01.4498	390028	01.5644
370032	01.2832	370103	01.0068	370184	01.3816	380062	00.9515	390029	01.5128
370033	01.1931	370105	01.8832	370186	00.8885	380063	01.2596	390030	01.1235
370034	01.2014	370106	01.2986	380001	01.3890	380064	01.2016	390031	01.1419
370035	01.3850	370107	00.9507	380002	01.1712	380065	01.1653	390032	01.2070
370036	01.1016	370108	00.9727	380003	01.1469	380066	01.1214	390034	01.0955
370037	01.5002	370110	00.9218	380004	01.7822	380068	01.1105	390035	01.2427
370038	00.9948	370112	00.9646	380005	01.1567	380069	01.0542	390036	01.2606
370039	01.1717	370113	01.1339	380006	01.1693	380070	01.0499	390037	01.1886
370040	01.1223	370114	01.5608	380007	01.6259	380071	01.2171	390039	01.0950
370041	01.0590	370117	01.1970	380008	01.0670	380072	00.9004	390040	01.0157
370042	00.8661	370121	01.2367	380009	01.5483	380075	01.2901	390041	01.1285
370043	00.9904	370122	00.9623	380010	01.1967	380078	01.0992	390042	01.1780
370045	01.1187	370123	01.0916	380011	01.0626	380079	01.2233	390043	01.0378
370046	01.1402	370125	01.0480	380013	01.1758	380081	01.0993	390044	01.4418
370047	01.1181	370126	01.1662	380014	01.2760	380082	01.2241	390045	01.2920
370048	01.0847	370130	01.0795	380017	01.6290	380083	01.0992	390046	01.3583
370049	01.1184	370131	01.0145	380018	01.7781	380084	01.3926	390047	01.5074
370050	00.9626	370133	01.0313	380019	01.1106	380087	01.0017	390048	01.1411
370051	01.0937	370138	01.0059	380020	01.3758	380088	01.0855	390049	01.3492
370054	01.1728	370139	01.1136	380021	01.2710	380089	01.3505	390050	01.7956
370056	01.2579	370140	01.0231	380022	01.2549	380090	01.3297	390051	02.0192
370057	01.1212	370141	01.4159	380023	01.2453	380091	01.1921	390052	01.1278
370059	01.2342	370144	01.1283	380024	01.3228	380094	01.0589	390054	01.1610
370060	00.9863	370146	01.0171	380025	01.2833	390001	01.2318	390055	01.5354
370063	01.0695	370148	01.3327	380026	01.2084	390002	01.1873	390056	01.1486
370064	00.9409	370149	01.2334	380027	01.2513	390003	01.1621	390057	01.2675
370065	01.1653	370153	01.0978	380029	01.0982	390004	01.2692	390058	01.2931
370069	01.0364	370154	01.0442	380030	00.8735	390005	01.1864	390059	01.4369
370071	00.9778	370156	01.0761	380031	00.9461	390006	01.5658	390060	01.1928

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
390061	01.2883	390118	01.1835	390176	01.1246	390244	00.9134	400032	01.2110
390062	01.1355	390119	01.2320	390178	01.3393	390245	01.2356	400037	00.9351
390063	01.4661	390121	01.1592	390179	01.2634	390246	01.1110	400038	01.0096
390064	01.3572	390122	01.1775	390180	01.3041	390247	01.0856	400044	01.0849
390065	01.2792	390123	01.2065	390181	01.0757	390249	01.0403	400048	01.1302
390066	01.2563	390125	01.1782	390183	01.0516	390252	00.7692	400061	01.5630
390067	01.5157	390126	01.2437	390184	01.1385	390256	01.6766	400079	01.1311
390068	01.2510	390127	01.1139	390185	01.2498	390258	01.1834	400087	01.2112
390069	01.2051	390128	01.1078	390186	01.1187	390260	01.3275	400088	00.8828
390070	01.1591	390130	01.0568	390187	01.1296	390261	01.7346	400089	01.0912
390071	01.1073	390131	01.2262	390188	01.3922	390262	01.5171	400090	01.1332
390072	01.0269	390132	00.9897	390189	01.1038	390263	01.4577	400094	01.0395
390073	01.2281	390133	01.3115	390191	01.1033	390265	01.2237	400098	01.2024
390074	01.1919	390135	01.2950	390192	01.1147	390266	01.1118	400102	01.1829
390075	01.2691	390136	01.2427	390193	01.1806	390267	01.1752	400103	01.4674
390076	01.2221	390137	01.1099	390194	01.0905	390268	01.1856	400104	01.1489
390077	01.2786	390138	01.2470	390195	01.3423	390270	01.2603	400105	01.2298
390078	01.0418	390139	01.4567	390196	01.2153	390272	00.5738	400106	01.0665
390079	01.6758	390142	01.6151	390197	01.3175	390275	00.5920	400109	01.2990
390080	01.2070	390143	00.9083	390198	01.2135	390276	01.7406	400110	01.1844
•390081	01.2078	390145	01.1984	390199	01.3086	390277	01.1724	400111	01.1484
390083	01.1394	390146	01.1464	390200	01.0754	390278	00.8722	400112	01.2454
390084	01.1287	390147	01.1702	390201	01.3208	400001	01.2065	400113	01.0830
390086	01.1389	390148	01.0966	390203	01.2576	400002	01.2910	400114	01.0391
390088	01.3373	390149	01.2092	390204	01.1774	400003	01.0845	400115	01.0795
390090	01.6973	390150	01.1244	390205	01.1699	400004	01.1597	400116	01.0361
390091	01.1413	390151	01.2040	390206	01.2823	400005	01.0849	400117	01.1986
390092	01.1985	390152	01.0465	390209	01.1093	400006	01.1844	400118	01.1078
390093	01.1610	390153	01.1730	390211	01.1555	400007	01.1207	400119	01.1277
390095	01.1949	390154	01.1067	390213	00.9924	400008	01.1067	400120	01.2759
390096	01.2301	390155	01.2594	390215	01.1956	400009	00.9730	400121	00.9644
390097	01.3462	390156	01.3839	390217	01.1306	400010	01.1222	410001	01.2529
390098	01.5784	390157	01.1575	390219	01.2092	400011	01.1159	410002	01.1743
390100	01.6509	390158	01.2665	390220	01.1702	400012	00.9587	410004	01.3589
390101	01.2329	390159	01.2770	390222	01.2430	400013	00.9052	410005	01.3146
390102	01.2594	390160	01.1361	390223	01.4559	400014	01.3576	410006	01.2072
390103	01.0653	390161	01.0373	390224	00.9049	400015	01.1095	410007	01.4252
390104	01.1700	390162	01.1828	390225	01.2715	400016	01.2898	410008	01.1084
390106	01.0875	390163	01.1560	390226	01.5163	400017	01.0455	410009	01.2182
390107	01.1521	390164	01.6220	390228	01.2287	400018	01.1256	410010	00.9383
390108	01.2966	390165	01.1034	390229	01.3561	400019	01.2073	410011	01.1810
390109	01.1909	390166	01.1447	390231	01.2972	400021	01.2494	410012	01.4042
390110	01.2411	390167	01.2602	390232	01.1108	400022	01.2756	410013	01.1983
390111	01.6643	390168	01.1320	390233	01.2651	400023	00.5003	410014	01.0365
390112	01.1817	390169	01.2537	390234	01.3157	400024	01.0400	410016	01.0004
390113	01.2064	390170	01.5806	390235	01.7162	400026	01.0688	420002	01.2745
390114	01.0372	390171	01.1257	390236	01.0869	400027	01.0964	420003	01.0454
390115	01.2207	390172	01.1235	390237	01.4368	400028	01.1289	420004	01.7646
390116	01.2554	390173	01.1236	390238	00.8204	400029	01.0221	420005	01.0952
390117	01.0749	390174	01.4742	390242	01.2197	400031	00.9751	420006	01.1734

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
420007	01.4143	420073	01.3512	430044	00.9019	440031	01.1026	440109	01.0796
420009	01.2404	420074	01.0023	430047	01.1246	440032	00.9936	440110	01.0585
420010	01.0819	420075	00.9631	430048	01.1276	440033	01.0597	440111	01.1542
420011	01.0012	420076	01.0499	430049	00.9504	440034	01.2392	440114	01.1689
420014	01.1346	420078	01.4789	430051	01.0403	440035	01.1845	440115	01.0950
420015	01.2478	420079	01.4147	430054	01.0110	440038	00.9520	440120	01.3069
420016	01.0956	420080	01.2600	430056	00.8645	440039	01.4733	440121	01.1594
420018	01.4823	420081	01.0375	430057	00.9813	440040	00.8560	440125	01.2463
420019	01.1572	420082	01.2859	430060	01.0417	440041	00.9068	440128	00.8775
420020	01.2235	420083	01.1704	430062	00.8839	440046	00.9803	440130	01.1401
420022	01.1430	420084	00.6902	430064	01.0309	440047	00.9426	440131	01.1598
420023	01.3135	420085	01.2267	430065	01.0005	440048	01.4371	440132	01.0151
420026	01.6426	420086	01.1824	430066	01.0294	440049	01.4999	440133	01.4970
420027	01.1728	420087	01.3349	430073	01.0602	440050	01.0832	440135	01.2114
420028	01.0835	420088	01.1006	430076	00.9529	440051	01.0062	440136	01.2492
420029	01.6130	420089	01.2259	430077	01.3606	440052	01.0185	440137	01.1000
420030	01.1488	430004	01.0626	430079	01.0719	440053	01.1244	440141	00.9117
420031	00.9242	430005	01.2363	430080	00.8301	440054	00.9857	440142	00.9470
420032	00.9030	430007	01.0810	430081	01.0391	440056	00.9369	440143	01.0016
420033	01.1895	430008	01.2164	430082	00.9109	440057	00.9453	440144	01.1784
*420035	00.9002	430009	01.1352	430083	00.8725	440058	01.1342	440145	01.0022
420036	01.2173	430010	01.0747	430084	00.9583	440059	01.1109	440146	01.4618
420037	01.2368	430011	01.2588	430085	00.9315	440060	01.1406	440147	01.0756
420038	01.0901	430012	01.2498	430086	00.9286	440061	01.1280	440148	01.0545
420039	01.0959	430013	01.1652	430087	00.9301	440063	01.2033	440149	01.1842
420040	01.3005	430014	01.2687	430088	01.0590	440064	00.9969	440150	01.2706
420042	01.0396	430015	01.0905	440001	01.0706	440065	01.0459	440151	01.1225
420043	01.1429	430016	01.5206	440002	01.3160	440067	01.1870	440152	01.3344
420044	01.1870	430017	01.1577	440003	01.1503	440068	01.1278	440153	00.9449
420048	01.0560	430018	00.9549	440006	01.3345	440069	01.2594	440154	00.8296
420049	01.0871	430020	01.1133	440007	01.0084	440070	00.9266	440156	01.3310
420050	00.9800	430022	00.9409	440008	00.9912	440071	01.2841	440157	00.8794
420051	01.4870	430023	01.0180	440009	01.0036	440072	01.2441	440159	01.1704
420053	01.1230	430024	01.0039	440010	01.0458	440073	01.2467	440160	01.0457
420054	01.1068	430025	00.9945	440011	01.2355	440074	00.9414	440161	01.6967
420055	01.1216	430026	01.0350	440012	01.2481	440078	00.9529	440162	01.1122
420056	01.0466	430027	01.6387	440014	00.9421	440079	00.8091	440166	01.2492
420057	01.0749	430028	01.0251	440015	01.4300	440081	01.1643	440167	01.2990
420059	01.1284	430029	00.8831	440016	01.0403	440082	01.6746	440168	00.9730
420061	01.2280	430031	01.0085	440017	01.3092	440083	01.0812	440170	01.3158
420062	01.0672	430033	01.0272	440018	01.1694	440084	01.0383	440173	01.3892
420064	01.1041	430034	01.0695	440019	01.3977	440087	01.0195	440174	00.9359
420065	01.2307	430036	01.1572	440020	01.1333	440090	01.0816	440175	01.0540
420066	00.9953	430037	00.8983	440022	01.1584	440091	01.3514	440176	01.1657
420067	01.1274	430038	01.0223	440023	00.9357	440095	01.1104	440177	00.9578
420068	01.1422	430039	01.0736	440024	01.1342	440100	01.0643	440178	01.3709
420069	01.0597	430040	00.9560	440025	01.0984	440102	01.0195	440180	01.0359
420070	01.2243	430041	00.9600	440026	01.1635	440103	01.1737	440181	01.0138
420071	01.2230	430042	01.0433	440029	01.1513	440104	01.4083	440182	00.9092
420072	00.9379	430043	01.1523	440030	01.0416	440105	00.8772	440183	01.2864

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
440184	01.0844	450052	01.0624	450126	01.1809	450194	01.1409	450283	01.1323
440185	01.0844	450053	01.1846	450127	01.0468	450195	01.3217	450286	01.0679
440186	01.0659	450054	01.4840	450128	01.2765	450196	01.2402	450288	01.1408
440187	00.9649	450055	01.1225	450130	01.4759	450197	01.3233	450289	01.1864
440189	01.4190	450056	01.4649	450131	01.2590	450200	01.2469	450292	01.1785
440192	01.0187	450057	01.1529	450132	01.3897	450201	01.1417	450293	00.9682
440193	01.1217	450058	01.4159	450133	01.3245	450203	01.2106	450296	01.1256
440194	01.1881	450059	01.2375	450135	01.5021	450207	01.3187	450297	01.0373
440196	01.0364	450060	01.2595	450137	01.2840	450208	01.1470	450299	01.3523
440197	01.2444	450063	01.0402	450140	00.9281	450209	01.2724	450303	00.9644
440200	01.0900	450064	01.4424	450141	01.1103	450210	01.1121	450305	00.9775
440203	01.0096	450065	01.1072	450142	01.3783	450211	01.2775	450306	01.0525
440205	00.9688	450068	01.4626	450143	01.0072	450213	01.3341	450307	01.0816
450002	01.3143	450070	01.1050	450144	01.1857	450214	01.2407	450309	01.0733
450004	01.0767	450072	01.1685	450145	01.0692	450217	00.9147	450315	01.3023
450005	01.0066	450073	01.1755	450146	00.9982	450218	01.0095	450317	00.9971
450007	01.3312	450074	01.1677	450147	01.3200	450219	01.1860	450320	01.2670
450008	01.2447	450076	01.2115	450148	01.2807	450221	01.1598	450321	00.8842
450010	01.1700	450077	00.9949	450149	01.3322	450222	01.3531	450322	00.8460
450011	01.5022	450078	01.0416	450150	00.9450	450224	01.1076	450324	01.4614
450014	01.0699	450079	01.4188	450151	01.0720	450229	01.3535	450325	01.2124
450015	01.3603	450080	01.2924	450152	01.2759	450230	01.2915	450327	01.0918
450016	01.5420	450081	01.1725	450153	01.4042	450231	01.5355	450330	01.1794
450018	01.4922	450082	01.0200	450154	01.2375	450233	01.0120	450331	01.2332
450019	01.3143	450083	01.4075	450155	00.9586	450234	00.8796	450332	01.3395
450020	01.0957	450085	01.1057	450157	01.0776	450235	01.1278	450334	01.0756
450021	01.6008	450087	01.3430	450160	01.0456	450236	01.0923	450337	01.2142
450023	01.4331	450090	01.1145	450162	01.3422	450237	01.4598	450340	01.3132
450024	01.1587	450092	01.2437	450163	01.2041	450239	01.1596	450341	01.0320
450025	01.3641	450094	01.3359	450164	01.1920	450241	00.8881	450342	01.4218
450027	01.1558	450096	01.4113	450165	00.9717	450243	01.0757	450346	01.3105
450028	01.3565	450097	01.2922	450166	01.0003	450246	01.0044	450347	01.2539
450029	01.1531	450098	01.1501	450169	00.8704	450248	00.9982	450348	00.9207
450031	01.1728	450099	01.1395	450170	01.1086	450249	00.9313	450349	01.3347
450032	01.1324	450101	01.3342	450175	01.2557	450250	01.0144	450351	01.3304
450033	01.5276	450102	01.5383	450176	01.1491	450253	01.0885	450352	01.2379
450034	01.4855	450104	01.2738	450177	01.1248	450256	01.1467	450353	01.1832
450035	01.4141	450107	01.2717	450178	01.1588	450258	01.0536	450355	01.0213
450037	01.4356	450108	00.9881	450179	01.0232	450259	01.2595	450357	01.1355
450039	01.1283	450109	00.9956	450181	00.9972	450264	00.9139	450358	01.7757
450040	01.5844	450110	01.3038	450182	00.9370	450268	01.1278	450362	01.0086
450041	01.0704	450111	01.3163	450183	01.1950	450269	00.9236	450365	00.9107
450042	01.5693	450112	01.2183	450184	01.3847	450270	01.1788	450366	01.3850
450043	01.4145	450113	01.1283	450185	01.0482	450271	01.2437	450369	01.2108
450044	01.4949	450115	01.0644	450187	01.2865	450272	01.2292	450370	01.2380
450046	01.3665	450118	01.4131	450188	00.9866	450275	01.0359	450371	01.1166
450047	01.1086	450119	01.2377	450190	01.3206	450276	01.1463	450372	01.2967
450048	01.0399	450121	01.2803	450191	01.1564	450278	00.9490	450373	01.1121
450050	01.2418	450123	01.1629	450192	01.0671	450280	01.2577	450374	00.9059
450051	01.5509	450124	01.4674	450193	02.1255	450281	01.2643	450376	01.4248

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
450378	01.3311	450518	01.2232	450630	01.5241	450697	01.3858	460001	01.5296
450379	01.4565	450523	01.4375	450631	01.5746	450698	00.8574	460003	01.4210
450381	00.9450	450530	01.3162	450632	01.0692	450700	01.0423	460004	01.5707
450388	01.5745	450534	01.0473	450633	01.5193	450702	01.2359	460005	01.3062
450389	01.1683	450535	01.2687	450634	01.3277	450703	01.1657	460006	01.2847
450391	01.2498	450537	01.2785	450637	01.2273	450704	01.1654	460007	01.2530
450393	01.3090	450538	01.3135	450638	01.4959	450705	00.9408	460008	01.2840
450394	01.1782	450539	01.2881	450639	01.5093	450706	01.2876	460009	01.5566
450395	01.0300	450544	01.2570	450641	00.8713	450709	01.2701	460010	01.8978
450399	01.1413	450545	01.4917	450643	01.1669	450711	01.5595	460011	01.2037
450400	01.2349	450546	01.3204	450644	02.1449	450712	00.6820	460013	01.3541
450403	01.3206	450547	00.9885	450646	01.3038	450713	01.3000	460014	01.0367
450410	01.0988	450550	01.2211	450647	01.8620	450715	01.3853	460015	01.2392
450411	01.0354	450551	00.9725	450648	01.1163	450716	01.1290	460016	00.9335
450417	00.9198	450557	00.9967	450649	01.0347	450717	01.2629	460017	01.2542
450418	01.3419	450558	01.7864	450651	01.5234	450718	01.0896	460018	00.8621
450419	01.3093	450559	00.9497	450652	00.9694	450719	01.1316	460019	01.0788
450422	00.7277	450561	01.3726	450653	01.2359	450722	01.1299	460020	01.0525
450423	01.3033	450563	01.1242	450654	00.9817	450723	01.3170	460021	01.3187
450424	01.2348	450565	01.1954	450656	01.3154	450724	01.2937	460022	00.9953
450425	01.0763	450570	00.9829	450658	01.0183	450725	01.0966	460023	01.1841
450429	01.0299	450571	01.3730	450659	01.3301	450726	00.9962	460024	00.9837
450431	01.4702	450573	01.1061	450660	01.4389	450727	01.0706	460025	00.8983
450438	01.1819	450574	00.9965	450661	01.0973	450728	00.8832	460026	00.9561
450446	01.0384	450575	01.0774	450662	01.2469	450729	00.7977	460027	00.8465
450447	01.2938	450578	01.0198	450665	01.0667	450730	01.2578	460029	00.9902
450450	01.0793	450580	01.1766	450666	01.2499	450732	01.1078	460030	01.0794
450451	01.1209	450583	01.0692	450667	01.1300	450733	01.3030	460032	00.9940
450457	01.4997	450584	01.2796	450668	01.4692	450734	01.1191	460033	00.9097
450458	00.9922	450586	01.1871	450669	01.2459	450735	00.8600	460035	00.9255
450460	01.0408	450587	01.1774	450670	01.1723	450737	01.0419	460036	01.0056
450462	01.3501	450588	00.9258	450672	01.4944	450742	01.2778	460037	01.0166
450464	00.8865	450590	00.9729	450673	00.9741	450743	01.2330	460039	00.9089
450465	01.1855	450591	01.1247	450674	00.9430	450744	01.1559	460041	01.1386
450467	01.0324	450596	01.1515	450675	01.2474	450745	01.0107	460042	01.4273
450469	01.2177	450597	01.1323	450677	01.3166	450746	00.9455	460043	01.1921
450472	01.1143	450600	00.9763	450678	01.4248	450747	01.1481	460044	01.2277
450473	01.0948	450603	00.9220	450679	00.9403	450748	00.8614	460046	00.8426
450475	01.0890	450604	01.2654	450681	01.5355	450749	01.0863	460047	01.4826
450476	01.0245	450605	01.2912	450682	01.2002	450750	00.9537	460048	01.1205
450484	01.3516	450607	00.9027	450683	01.3482	450751	01.1161	470001	01.1511
450486	00.9930	450609	00.9309	450684	01.3158	450752	01.2877	470003	01.7190
450488	01.0958	450610	01.3051	450685	01.2840	450753	01.0785	470004	01.1253
450489	01.0753	450614	01.0563	450686	01.3329	450754	01.0458	470005	01.2672
450492	00.9158	450615	01.0348	450687	01.1144	450755	00.9959	470006	01.2753
450497	01.1609	450617	01.3763	450688	01.1978	450757	01.0007	470008	01.1603
450498	01.0107	450620	01.1124	450690	01.3049	450758	01.7447	470010	01.0841
450508	01.4883	450623	01.0974	450691	01.3334	450759	01.0369	470011	01.1728
450514	01.0965	450626	01.0649	450694	01.2612	450760	01.1755	470012	01.2573
450517	00.9731	450628	00.9682	450696	01.2084	450761	00.8713	470013	01.1289

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
470015	01.1945	490053	01.2832	490124	01.3155	500057	01.2002	500137	00.9445
470016	01.0497	490054	01.1261	490126	01.1694	500058	01.2501	500138	02.0291
470018	01.0782	490057	01.1692	490127	01.0676	500059	01.2084	500139	01.2696
470020	00.9595	490059	01.3429	490129	01.1074	500060	01.1289	500140	00.9771
470023	01.2371	490060	01.0909	490130	01.1937	500061	01.0372	500141	01.3252
470024	01.1935	490063	01.5200	490131	00.9428	500062	00.9858	500142	02.6247
490001	01.0405	490066	01.1109	500001	01.3465	500064	01.4364	510001	01.4171
490002	01.0613	490067	01.1799	500002	01.3879	500065	01.2331	510002	01.2641
490003	00.6736	490069	01.2632	500003	01.3434	500068	01.0275	510004	00.9598
490004	01.1632	490071	01.1828	500005	01.6090	500069	01.0847	510005	01.0213
490005	01.3609	490073	01.2168	500007	01.3190	500071	01.3266	510006	01.2462
490006	01.1747	490074	01.2579	500008	01.7819	500072	01.2072	510007	01.3356
490007	01.6463	490075	01.2060	500009	01.3554	500073	01.1362	510008	01.1302
490008	01.0713	490077	01.1652	500011	01.1977	500074	01.1723	510009	01.1318
490009	01.5412	490079	01.2152	500012	01.4819	500075	01.3297	510011	01.1057
490010	01.2156	490083	00.7562	500014	01.6025	500076	01.3316	510012	01.0843
490011	01.1932	490084	01.1126	500015	01.3348	500077	01.2589	510013	01.2151
490012	01.0646	490085	01.0443	500016	01.3058	500078	01.3021	510014	00.8787
490013	01.1037	490088	01.0530	500017	01.2259	500079	01.2595	510015	01.0114
490014	01.4498	490089	01.0187	500019	01.2297	500080	00.8730	510016	01.0719
490015	01.3434	490090	01.1582	500021	01.3741	500084	00.9986	510018	01.1615
490017	01.2739	490091	01.2821	500023	01.1209	500085	01.0516	510020	01.1112
490018	01.1038	490092	01.1071	500024	01.3365	500086	01.2843	510022	01.4993
490019	01.0974	490093	01.2681	500025	01.7955	500087	01.2787	510023	01.0327
490020	01.0611	490094	01.0924	500026	01.2697	500088	01.3415	510024	01.3087
490021	01.1056	490095	01.2553	500027	01.5148	500089	00.9962	510025	01.0871
490022	01.2224	490097	01.1039	500028	01.0010	500092	01.0340	510026	00.9816
490023	01.2320	490098	01.2691	500029	00.9203	500093	01.2269	510027	01.1165
490024	01.5073	490099	01.0136	500030	01.3604	500094	01.0442	510028	01.1539
490027	01.1381	490100	01.2487	500031	01.1930	500096	00.9226	510029	01.2476
490028	01.2209	490101	01.1470	500033	01.2548	500097	01.0957	510030	01.1157
490029	01.1267	490104	00.7901	500034	01.0400	500098	01.0626	510031	01.2609
490030	01.2195	490105	00.8023	500035	01.3629	500101	01.0500	510033	01.1990
490031	01.0801	490106	00.8919	500036	01.2794	500102	00.9452	510035	01.0318
490032	01.6412	490107	01.1912	500037	01.1276	500104	01.1951	510036	01.1422
490033	01.1871	490108	00.9323	500039	01.2460	500106	00.9547	510038	01.0747
490035	01.0921	490109	00.8637	500041	01.2300	500107	01.1386	510039	01.2505
490037	01.1348	490110	01.0862	500042	01.3186	500108	01.5780	510040	01.1006
490038	01.2418	490111	01.1082	500043	01.1977	500110	01.2981	510043	01.0969
490040	01.2494	490112	01.4429	500044	01.8959	500114	01.3551	510046	01.3026
490041	01.1140	490113	01.1951	500045	01.2151	500118	01.1872	510047	01.1875
490042	01.2452	490114	01.0943	500046	01.3028	500119	01.3325	510048	01.1191
490043	01.1856	490115	01.1797	500048	00.9845	500122	01.2553	510050	01.1992
490044	01.2841	490116	01.0536	500049	01.2704	500123	00.9665	510053	01.0349
490045	01.1162	490117	01.0270	500050	01.1074	500124	01.3158	510055	01.2247
490046	01.2791	490118	01.5520	500051	01.6792	500125	01.0521	510058	01.2193
490047	01.1639	490119	01.3237	500052	01.2004	500129	01.6731	510059	00.8930
490048	01.2234	490120	01.2830	500053	01.1549	500132	00.8640	510060	01.1845
490050	01.2157	490122	01.1702	500054	01.7872	500134	00.9282	510061	01.0772
490052	01.3655	490123	01.1079	500055	01.0620	500135	01.2135	510062	01.1252

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

TABLE 3C : HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1989 PAGE 23 OF 23

PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX	PROVIDER	CASE MIX
510063	01.1253	520040	01.3551	520107	01.2299	520184	00.5738		
510065	01.0577	520041	01.0707	520109	01.0927	530001	01.2488		
510066	01.1646	520042	01.0065	520110	01.0482	530002	01.1877		
510067	01.1900	520044	01.2970	520111	01.1413	530003	00.9650		
510068	01.0778	520045	01.5421	520112	01.0588	530004	00.9949		
510070	01.1361	520047	01.0118	520113	01.1542	530005	00.9802		
510071	01.2725	520048	01.3283	520114	01.1100	530006	01.0866		
510072	01.0948	520049	01.7071	520115	01.2128	530007	01.1169		
510076	00.9129	520051	01.7597	520116	01.1457	530008	01.0727		
510077	01.0300	520053	01.0952	520117	01.0570	530009	00.9858		
510080	00.9924	520054	01.1458	520118	00.9464	530010	01.1664		
510081	01.0648	520056	01.2213	520120	01.0494	530011	01.1440		
510082	00.9540	520057	01.1224	520121	01.0287	530012	01.5292		
510084	01.0189	520058	01.0624	520122	01.0766	530014	01.1164		
510085	01.2249	520059	01.2668	520123	01.0051	530015	01.1056		
510086	01.0679	520060	01.2287	520124	01.1017	530016	01.1716		
520002	01.3248	520062	01.2007	520130	01.0055	530017	00.9839		
520003	01.1900	520063	01.2460	520131	01.1011	530018	01.0894		
520004	01.2747	520064	01.4277	520132	01.1695	530019	00.9719		
520006	01.0835	520066	01.2394	520134	01.1300	530022	01.1098		
520007	01.0726	520068	00.9704	520135	00.9329	530023	00.9210		
520008	01.2058	520069	01.2571	520136	01.3681	530024	00.9630		
520009	01.3452	520070	01.2711	520138	01.6441	530025	01.2233		
520010	01.0977	520071	01.1061	520139	01.2930	530026	01.0470		
520011	01.1295	520074	01.1491	520140	01.3549	530027	00.8560		
520012	00.9657	520075	01.3253	520141	01.0192	530029	00.9648		
520013	01.2421	520076	01.1943	520142	00.9332	530031	01.0286		
520014	01.1593	520077	01.0304	520144	01.0769				
520015	01.2736	520078	01.3074	520145	01.0323				
520016	01.0211	520081	01.2030	520146	01.0865				
520017	01.1714	520082	01.2106	520148	01.1674				
520018	01.0218	520083	01.4827	520149	01.0752				
520019	01.2393	520084	01.0448	520151	01.0284				
520020	01.3337	520087	01.4505	520152	01.0879				
520021	01.1654	520088	01.1790	520153	01.0398				
520024	01.0119	520089	01.3297	520154	01.1661				
520025	01.0971	520090	01.1712	520156	01.1392				
520026	00.9823	520091	01.3468	520157	01.0636				
520027	01.1418	520092	01.1284	520159	00.9582				
520028	01.2963	520094	01.2198	520160	01.6987				
520029	00.9788	520095	01.2531	520161	01.1771				
520030	01.4897	520096	01.2450	520170	01.2192				
520031	01.1179	520097	01.2558	520171	00.9853				
520032	01.1612	520098	01.5554	520173	01.0633				
520033	01.2225	520100	01.1981	520174	01.3735				
520034	01.2533	520101	01.1178	520176	00.9277				
520035	01.1852	520102	01.2035	520177	01.3858				
520037	01.5602	520103	01.3316	520178	01.1503				
520038	01.2389	520104	01.0116	520180	00.8952				
520039	00.9867	520105	01.0022	520182	00.5412				

NOTE: CASE MIX INDEXES DO NOT INCLUDE DISCHARGES FROM PPS-EXEMPT UNITS.
: CASE MIX INDEXES INCLUDE CASES RECEIVED IN HCFA CENTRAL OFFICE THROUGH DECEMBER 1989.

BILLING CODE 4120-03-C

TABLE 4A.—WAGE INDEX FOR URBAN AREAS

[Areas that qualify as large urban areas are designated with an asterisk]

Urban Area (constituent counties or county equivalents)	Wage index
Abilene, TX	0.9271
Taylor, TX	
Aguadilla, PR	.4566
Aguada, PR	
Aguadilla, PR	
Isabella, PR	
Moca, PR	
Akron, OH	.9492
Portage, OH	
Summit, OH	
Albany, GA	.8094
Dougherty, GA	
Lee, GA	
Albany-Schenectady-Troy, NY	.8972
Albany, NY	
Greene, NY	
Montgomery, NY	
Rensselaer, NY	
Saratoga, NY	
Schenectady, NY	
Albuquerque, NM	1.0186
Bernalillo, NM	
Alexandria, LA	.8321
Rapides, LA	
Allentown-Bethlehem, PA-NJ	.9900
Warren, NJ	
Carbon, PA	
Lehigh, PA	
Northampton, PA	
Altoona, PA	.9289
Blair, PA	
Amarillo, TX	.8787
Potter, TX	
Randall, TX	
*Anaheim-Santa Ana, CA	1.2046
Orange, CA	
Anchorage, AK	1.4216
Anchorage, AK	
Anderson, IN	.8246
Madison, IN	
Anderson, SC	.7298
Anderson, SC	
Ann Harbor, MI	1.1447
Washtenaw, MI	
Anniston, AL	.7980
Calhoun, AL	
Appleton-Oshkosh-Neenah, WI	.9229
Calumet, WI	
Outagamie, WI	
Winnebago, WI	
Arecibo, PR	.3926
Camuy, PR	
Hatillo, PR	
Quebradillas, PR	
Asheville, NC	.8787
Buncombe, NC	
Athens, GA	.8254
Clarke, GA	
Jackson, GA	
Madison, GA	
Oconee, GA	
*Atlanta, GA	.9652
Barrow, GA	
Butts, GA	
Cherokee, GA	
Clayton, GA	
Cobb, GA	
Coweta, GA	
De Kalb, GA	
Douglas, GA	
Fayette, GA	
Forsyth, GA	
Fulton, GA	
Gwinnett, GA	
Henry, GA	
Newton, GA	
Paulding, GA	
Rockdale, GA	
Spalding, GA	
Walton, GA	
Atlantic City, NJ	1.0565
Atlantic, NJ	
Cape May, NJ	
Augusta, GA-SC	.9458
Columbia, GA	
McDuffie, GA	
Richmond, GA	
Aiken, SC	
Aurora-Elgin, IL	.9710
Kane, IL	
Kendall, IL	
Austin, TX	.8957
Hays, TX	
Travis, TX	
Williamson, TX	
Bakersfield, CA	1.0928
Kern, CA	
*Baltimore, MD	1.0212
Anne Arundel, MD	
Baltimore, MD	
Baltimore City, MD	
Carroll, MD	
Harford, MD	
Howard, MD	
Queen Annes, MD	
Bangor, ME	.9134
Penobscot, ME	
Baton Rouge, LA	.9139
Ascension, LA	
East Baton Rouge, LA	
Livingston, LA	
West Baton Rouge, LA	
Battle Creek, MI	.9517
Calhoun, MI	
Beaumont-Port Arthur, TX	.9696
Hardin, TX	
Jefferson, TX	
Orange, TX	
Beaver County, PA	1.0221
Beaver, PA	
Bellingham, WA	1.0427
Whatcom, WA	
Benton Harbor, MI	.8253
Berrien, MI	
*Bergen-Passaic, NJ	1.0352
Bergen, NJ	
Passaic, NJ	
Billings, MT	.9366
Yellowstone, MT	
Biloxi-Gulfport, MS	.8107
Hancock, MS	
Harrison, MS	
Binghamton, NY	.9311
Broome, NY	
Tioga, NY	
Birmingham, AL	.8820
Blount, AL	
Jefferson, AL	
Saint Clair, AL	
Shelby, AL	
Walker, AL	
Bismarck, ND	.8899
Burleigh, ND	
Morton, ND	
Bloomington, IN	.8687
Monroe, IN	
Bloomington-Normal, IL	.8324
McLean, IL	
Boise City, ID	.9687
Ada, ID	
*Boston-Lawrence-Salem-Lowell-Brockton, MA	1.1891
Essex, MA	
Middlesex, MA	
Norfolk, MA	
Plymouth, MA	
Suffolk, MA	
Boulder-Longmont, CO	.9907
Boulder, CO	
Bradenton, FL	.9313
Manatee, FL	
Brazoria, TX	.9461
Brazoria, TX	
Bremerton, WA	.9588
Kitsap, WA	
Bridgeport-Stamford-Norwalk-Danbury, CT	1.2102
Fairfield, CT	
Brownsville-Harlingen, TX	.8649
Cameron, TX	
Bryan-College Station, TX	.9541
Brazos, TX	
Buffalo, NY	.8958
Erie, NY	
Burlington, NC	.8030
Alamance, NC	
Burlington, VT	.9410
Chittenden, VT	
Grand Isle, VT	
Caguas, PR	.4375
Caguas, PR	
Gurabo, PR	
San Lorenz, PR	
Aguas Buenas, PR	
Cayey, PR	
Cidra, PR	
Canton, OH	.8752
Carroll, OH	
Stark, OH	
Casper, WY	.8940
Natrona, WY	
Cedar Rapids, IA	.8957
Linn, IA	
Champaign-Urbana-Rantoul, IL	.8793
Champaign, IL	
Charleston, SC	.8377
Berkeley, SC	
Charleston, SC	
Dorchester, SC	
Charleston, WV	.9746
Kanawha, WV	
Putnam, WV	
*Charlotte-Gastonia-Rock Hill, NC-SC	.9395
Cabarrus, NC	
Gaston, NC	
Lincoln, NC	
Mecklenburg, NC	
Rowan, NC	
Union, NC	
York, SC	
Charlottesville, VA	.9668

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas that qualify as large urban areas are designated with an asterisk]

Urban Area (constituent counties or county equivalents)	Wage index
Albermarle, VA	
Charlottesville City, VA	
Fluvanna, VA	
Greene, VA	
Chattanooga, TN-GA	.9256
Catoosa, GA	
Dade, GA	
Walker, GA	
Hamilton, TN	
Marion, TN	
Sequatchie, TN	
Cheyenne, WY	.7625
Laramie, WY	
*Chicago, IL	1.0472
Cook, IL	
Du Page, IL	
McHenry, IL	
Chico, CA	.1.0594
Butte, CA	
*Cincinnati, OH-KY-IN	.9876
Dearborn, IN	
Boone, KY	
Campbell, KY	
Kenton, KY	
Clermont, OH	
Hamilton, OH	
Warren, OH	
Clarksville-Hopkinsville, TN-KY	.7360
Christian, KY	
Montgomery, TN	
*Cleveland, OH	1.0798
Cuyahoga, OH	
Geauga, OH	
Lake, OH	
Medina, OH	
Colorado Springs, CO	.9778
El Paso, CO	
Columbia, MO	.9445
Boone, MO	
Columbia, SC	.9005
Lexington, SC	
Richland, SC	
Columbus, GA-AL	.7471
Russell, AL	
Chattahoochee, GA	
Muscogee, GA	
*Columbus, OH	.9727
Delaware, OH	
Fairfield, OH	
Franklin, OH	
Licking, OH	
Madison, OH	
Pickaway, OH	
Union, OH	
Corpus Christi, TX	.8630
Nueces, TX	
San Patricio, TX	
Cumberland, MD-WV	.8199
Allegany, MD	
Mineral, WV	
*Dallas, TX	.9385
Collin, TX	
Dallas, TX	
Denton, TX	
Ellis, TX	
Kaufman, TX	
Rockwall, TX	
Danville, VA	.7548
Danville City, VA	
Pittsylvania, VA	
Davenport-Rock Island-Moline, IA-IL	.8502
Scott, IA	
Henry, IL	
Rock Island, IL	
Dayton-Springfield, OH	.9718
Clark, OH	
Greene, OH	
Miami, OH	
Montgomery, OH	
Daytona Beach, FL	.8993
Volusia, FL	
Decatur, AL	.7528
Lawrence, AL	
Morgan, AL	
Decatur, IL	.7875
Macon, IL	
*Denver, CO	1.0831
Adams, CO	
Arapahoe, CO	
Denver, CO	
Douglas, CO	
Jefferson, CO	
Des Moines, IA	.9215
Dallas, IA	
Polk, IA	
Warren, IA	
*Detroit, MI	1.0891
Lapeer, MI	
Livingston, MI	
Macomb, MI	
Monroe, MI	
Oakland, MI	
Saint Clair, MI	
Wayne, MI	
Dothan, AL	.7596
Dale, AL	
Houston, AL	
Dubuque, IA	.8429
Dubuque, IA	
Duluth, MN-WI	.9570
St. Louis, MN	
Douglas, WI	
Eau Claire, WI	.8525
Chippewa, WI	
Eau Claire, WI	
El Paso, TX	.8657
El Paso, TX	
Elkhart-Goshen, IN	.8998
Elkart, IN	
Elmira, NY	.8859
Chemung, NY	
Enid, OK	.8589
Garfield, OK	
Erie, PA	.9206
Erie, PA	
Eugene-Springfield, OR	.9533
Lane, OR	
Evansville, IN-KY	.9327
Posey, IN	
Vanderburgh, IN	
Warrick, IN	
Henderson, KY	
Fargo-Moorhead, ND-MN	.9760
Clay, MN	
Cass, ND	
Fayetteville, NC	.8341
Cumberland, NC	
Fayetteville-Springdale, AR	.8094
Washington, AR	
Flint, MI	1.1607
Genesee, MI	
Florence, AL	.7722
Colbert, AL	
Lauderdale, AL	
Florence, SC	.8475
Florence, SC	
Fort Collins-Loveland, CO	1.0294
Larimor, CO	
* Fort Lauderdale-Hollywood-Pompano Beach, FL	1.0417
Broward, FL	
Fort Myers-Cape Coral, FL	.8862
Lee, FL	
Fort Pierce, FL	1.1102
Martin, FL	
St. Lucie, FL	
Fort Smith, AR-OK	.7975
Crawford, AR	
Sebastian, AR	
Sequoyah, OK	
Fort Walton Beach, FL	.8940
Okaloosa, FL	
Fort Wayne, IN	.8951
Allen, IN	
De Kalb, IN	
Whitley, IN	
* Fort Worth-Arlington, TX	.9175
Johnson, TX	
Parker, TX	
Tarrant, TX	
Fresno, CA	1.0536
Fresno, CA	
Gadsden, AL	.7661
Etowah, AL	
Gainesville, FL	.8538
Alachua, FL	
Bradford, FL	
Galveston-Texas City, TX	.9604
Galveston, TX	
Gary-Hammond, IN	.9846
Lake, IN	
Porter, IN	
Glens Falls, NY	.9282
Warren, NY	
Washington, NY	
Grand Forks, ND	.9630
Grand Forks, ND	
Grand Rapids, MI	.9757
Kent, MI	
Ottawa, MI	
Great Falls, MT	1.0047
Cascade, MT	
Greeley, CO	.9410
Weld, CO	
Green Bay, WI	.9638
Brown, WI	
Greensboro-Winston-Salem-High Point, NC	.8800
Davidson, NC	
Davie, NC	
Forsyth, NC	
Guilford, NC	
Randolph, NC	
Stokes, NC	
Yadkin, NC	
Greenville-Spartanburg, SC	.8857
Greenville, SC	
Pickens, SC	
Spartanburg, SC	
Hagerstown, MD	.9208
Washington, MD	
Hamilton-Middletown, OH	.9436
Butler, OH	
Harrisburg-Lebanon-Carlisle, PA	.9973
Cumberland, PA	
Dauphin, PA	
Lebanon, PA	
* Hartford-Middletown-New Britain-Bristol, CT	1.1977
Hartford, CT	
Litchfield, CT	
Middlesex, CT	
Tolland, CT	
Hickory, NC	.8784

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas that qualify as large urban areas are designated with an asterisk]

Urban Area (constituent counties or county equivalents)	Wage index
Alexander, NC	
Burke, NC	
Catawba, NC	
Honolulu, HI	1.1627
Honolulu, HI	
Houma-Thibodaux, LA	.7217
Lafourche, LA	
Terrebonne, LA	
*Houston, TX	.9820
Fort Bend, TX	
Harris, TX	
Liberty, TX	
Montgomery, TX	
Waller, TX	
Huntington-Ashland, WV-KY-OH	.9460
Boyd, KY	
Carter, KY	
Greenup, KY	
Lawrence, OH	
Cabell, WV	
Wayne, WV	
Huntsville, AL	.8884
Madison, AL	
*Indianapolis, IN	.9621
Boone, IN	
Hamilton, IN	
Hancock, IN	
Hendricks, IN	
Johnson, IN	
Marion, IN	
Morgan, IN	
Shelby, IN	
Iowa City, IA	.9687
Johnson, IA	
Jackson, MI	.9717
Jackson, MI	
Jackson, MS	.7776
Hinds, MS	
Madison, MS	
Rankin, MS	
Jackson, TN	.7954
Madison, TN	
Jacksonville, FL	.8984
Clay, FL	
Duval, FL	
Nassau, FL	
St. Johns, FL	
Jacksonville, NC	.7194
Onslow, NC	
Jamestown-Dunkirk, NY	.7777
Chatauqua, NY	
Janesville-Beloit, WI	.8491
Rock, WI	
Jersey City, NJ	1.0584
Hudson, NJ	
Johnson City-Kingsport-Bristol, TN-VA	.8712
Carter, TN	
Hawkins, TN	
Sullivan, TN	
Unicoi, TN	
Washington, TN	
Bristol City, VA	
Scott, VA	
Washington, VA	
Johnstown, PA	.9105
Cambria, PA	
Somerset, PA	
Joliet, IL	1.0521
Grundy, IL	
Will, IL	
Joplin, MO	.7909
Jasper, MO	
Newton, MO	
Kalamazoo, MI	1.2399
Kalamazoo, MI	
Kankakee, IL	.8535
Kankakee, IL	
*Kansas City, KS-MO	.9411
Johnson, KS	
Leavenworth, KS	
Miami, KS	
Wyandotte, KS	
Cass, MO	
Clay, MO	
Jackson, MO	
Lafayette, MO	
Platte, MO	
Ray, MO	
Kenosha, WI	.9189
Kenosha, WI	
Killeen-Temple, TX	1.1357
Bell, TX	
Coryell, TX	
Knoxville, TN	.8711
Anderson, TN	
Blount, TN	
Grainger, TN	
Jefferson, TN	
Knox, TN	
Sevier, TN	
Union, TN	
Kokomo, IN	.9488
Howard, IN	
Tipton, IN	
LaCrosse, WI	.9009
LaCrosse, WI	
Lafayette, LA	.8195
Lafayette, LA	
St. Martin, LA	
Lafayette, IN	.8479
Tippecanoe, IN	
Lake Charles, LA	.8145
Calcasieu, LA	
Lake County, IL	1.0134
Lake, IL	
Lakeland-Winter Haven, FL	.8216
Polk, FL	
Lancaster, PA	.9309
Lancaster, PA	
Lansing-East Lansing, MI	1.0279
Clinton, MI	
Easton, MI	
Ingham, MI	
Laredo, TX	.7318
Webb, TX	
Las Cruces, NM	.7953
Dona Ana, NM	
Las Vegas, NV	1.0690
Clark, NV	
Lawrence, KS	.8986
Douglas, KS	
Lawton, OK	.8434
Comanche, OK	
Lewiston-Auburn, ME	.9040
Androscoggin, ME	
Lexington-Fayette, KY	.8493
Bourbon, KY	
Clark, KY	
Fayette, KY	
Jessamine, KY	
Scott, KY	
Woodford, KY	
Lima, OH	.7856
Allen, OH	
Auglaize, OH	
Lincoln, NE	.8922
Lancaster, NE	
Little Rock-North Little Rock, AR	.8467
Faulkner, AR	
Lonoke, AR	
Pulaski, AR	
Saline, AR	
Longview-Marshall, TX	.8180
Gregg, TX	
Harrison, TX	
Lorain-Elyria, OH	.8999
Lorain, OH	
*Los Angeles-Long Beach, CA	1.2434
Los Angeles, CA	
Louisville, KY-IN	.9146
Clark, IN	
Floyd, IN	
Harrison, IN	
Bullitt, KY	
Jefferson, KY	
Oldham, KY	
Shelby, KY	
Lubbock, TX	.8737
Lubbock, TX	
Lynchburg, VA	.8591
Amherst, VA	
Campbell, VA	
Lynchburg City, VA	
Macon-Warner Robins, GA	.8718
Bibb, GA	
Houston, GA	
Jones, GA	
Peach, GA	
Madison, WI	1.0396
Dane, WI	
Manchester-Nashua, NH	1.0361
Hillsborough, NH	
Merrimack, NH	
Mansfield, OH	.8438
Richland, OH	
Mayaguez, PR	.4499
Anasco, PR	
Cabo Rojo, PR	
Hormigueros, PR	
Mayaguez, PR	
San German, PR	
McAllen-Edinburg-Mission, TX	.7598
Hidalgo, TX	
Medford, OR	1.0009
Jackson, OR	
Melbourne-Titusville, FL	.8866
Brevard, FL	
Memphis, TN-AR-MS	.9110
Crittenden, AR	
De Soto, MS	
Shelby, TN	
Tipton, TN	
Merced, CA	1.0484
Merced, CA	
*Miami-Hialeah, FL	1.0245
Dade, FL	
Middlesex-Somerset-Hunterdon, NJ	1.0458
Hunterdon, NJ	
Middlesex, NJ	
Somerset, NJ	
Midland, TX	1.1828
Midland, TX	
*Milwaukee, WI	.9770
Milwaukee, WI	
Ozaukee, WI	
Washington, WI	
Waukesha, WI	
*Minneapolis-St. Paul, MN-WI	1.0650

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas that qualify as large urban areas are designated with an asterisk]

Urban Area (constituent counties or county equivalents)	Wage index
Anoka, MN	
Carver, MN	
Chisago, MN	
Dakota, MN	
Hennepin, MN	
Isanti, MN	
Ramsey, MN	
Scott, MN	
Washington, MN	
Wright, MN	
St. Croix, WI	
Mobile, AL	.8365
Baldwin, AL	
Mobile, AL	
Modesto, CA	1.1606
Stanislaus, CA	
Monmouth-Ocean, NJ	.9977
Monmouth, NJ	
Ocean, NJ	
Monroe, LA	.7937
Quachita, LA	
Montgomery, AL	.7781
Autauga, AL	
Elmore, AL	
Montgomery, AL	
Muncie, IN	.8674
Delaware, IN	
Muskegon, MI	.9620
Muskegon, MI	
Naples, FL	1.0381
Collier, FL	
Nashville, TN	.9437
Cheatham, TN	
Davidson, TN	
Dickson, TN	
Robertson, TN	
Rutherford, TN	
Sumner, TN	
Williamson, TN	
Wilson, TN	
*Nassau-Suffolk, NY	1.3030
Nassau, NY	
Suffolk, NY	
New Bedford-Fall River-Attleboro, MA	1.0219
Bristol, MA	
New Haven-Waterbury-Meriden, CT	1.2017
New Haven, CT	
New London-Norwich, CT	1.1635
New London, CT	
*New Orleans, LA	.8950
Jefferson, LA	
Orleans, LA	
St. Bernard, LA	
St. Charles, LA	
St. John The Baptist, LA	
St. Tammany, LA	
*New York, NY	1.3535
Bronx, NY	
Kings, NY	
New York City, NY	
Putnam, NY	
Queens, NY	
Richmond, NY	
Rockland, NY	
Westchester, NY	
*Newark, NJ	1.1465
Essex, NJ	
Morris, NJ	
Sussex, NJ	
Union, NJ	
Niagara Falls, NY	.8428
Niagara, NY	
*Norfolk-Virginia Beach-Newport News, VA	.8538

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas that qualify as large urban areas are designated with an asterisk]

Urban Area (constituent counties or county equivalents)	Wage index
Chesapeake City, VA	
Gloucester, VA	
Hampton City, VA	
James City Co., VA	
Newport News City, VA	
Norfolk City, VA	
Poquoson, VA	
Portsmouth City, VA	
Suffolk City, VA	
Virginia Beach City, VA	
Williamsburg City, VA	
York, VA	
*Oakland, CA	1.4602
Alameda, CA	
Contra Costa, CA	
Ocala, FL	.8662
Marion, FL	
Odessa, TX	.9015
Ector, TX	
Oklahoma City, OK	.9186
Canadian, OK	
Cleveland, OK	
Logan, OK	
McClain, OK	
Oklahoma, OK	
Pottawatomie, OK	
Olympia, WA	1.1044
Thurston, WA	
Omaha, NE-IA	.8913
Pottawattamie, IA	
Douglas, NE	
Sarpy, NE	
Washington, NE	
Orange County, NY	.9706
Orange, NY	
Orlando, FL	.9789
Orange, FL	
Osceola, FL	
Seminole, FL	
Owensboro, KY	.8158
Daviess, KY	
Oxnard-Ventura, CA	1.2409
Ventura, CA	
Panama City, FL	.8711
Bay, FL	
Parkersburg-Marietta, WV-OH	.8287
Washington, OH	
Wood, WV	
Pascagoula, MS	.8804
Jackson, MS	
Pensacola, FL	.8712
Escambia, FL	
Santa Rosa, FL	
Peoria, IL	.8763
Peoria, IL	
Tazewell, IL	
Woodford, IL	
*Philadelphia, PA-NJ	1.1006
Burlington, NJ	
Camden, NJ	
Gloucester, NJ	
Bucks, PA	
Chester, PA	
Delaware, PA	
Montgomery, PA	
Philadelphia, PA	
*Phoenix, AZ	1.0492
Maricopa, AZ	
Pine Bluff, AR	.7915
Jefferson, AR	
*Pittsburgh, PA	1.0183

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas that qualify as large urban areas are designated with an asterisk]

Urban Area (constituent counties or county equivalents)	Wage index
Allegheny, PA	
Fayette, PA	
Washington, PA	
Westmoreland, PA	
Pittsfield, MA	1.0706
Berkshire, MA	
Ponce, PR	.4693
Juana Diaz, PR	
Ponce, PR	
Portland, ME	.9060
Cumberland, ME	
Sagadahoc, ME	
York, ME	
*Portland, OR	1.1623
Clackamas, OR	
Multnomah, OR	
Washington, OR	
Yamhill, OR	
Portsmouth-Dover-Rochester, NH	1.0136
Rockingham, NH	
Strafford, NH	
Poughkeepsie, NY	1.0505
Dutchess, NY	
*Providence-Pawtucket-Woonsocket, RI	1.0680
Bristol, RI	
Kent, RI	
Newport, RI	
Providence, RI	
Washington, RI	
Provo-Orem, UT	1.0263
Utah, UT	
Pueblo, CO	.8770
Pueblo, CO	
Racine, WI	.8898
Racine, WI	
Raleigh-Durham, NC	.9517
Durham, NC	
Franklin, NC	
Orange, NC	
Wake, NC	
Rapid City, SD	.8446
Pennington, SD	
Reading, PA	.8836
Berks, PA	
Redding, CA	1.0607
Shasta, CA	
Reno, NV	1.1682
Washoe, NV	
Richland-Kennewick, WA	.8493
Benton, WA	
Franklin, WA	
Richmond-Petersburg, VA	.9469
Charles City Co., VA	
Chesterfield, VA	
Colonial Heights City, VA	
Dinwiddie, VA	
Goochland, VA	
Hanover, VA	
Henrico, VA	
Hopewell City, VA	
New Kent, VA	
Petersburg City, VA	
Powhatan, VA	
Prince George, VA	
Richmond City, VA	
*Riverside-San Bernardino, CA	1.1231
Riverside, CA	
San Bernardino, CA	
Roanoke, VA	.8330
Botetourt, VA	
Roanoke, VA	
Roanoke City, VA	
Salem City, VA	
Rochester, MN	1.1090

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas that qualify as large urban areas are designated with an asterisk]

Urban Area (constituent counties or county equivalents)	Wage index
Olmsted, MN	
Rochester, NY	.9507
Livingston, NY	
Monroe, NY	
Ontario, NY	
Orleans, NY	
Wayne, NY	
Rockford, IL	.9334
Boone, IL	
Winnebago, IL	
*Sacramento, CA	1.2313
Eldorado, CA	
Placer, CA	
Sacramento, CA	
Yolo, CA	
Saginaw-Bay City-Midland, MI	1.0174
Bay, MI	
Midland, MI	
Saginaw, MI	
St. Cloud, MN	.9472
Benton, MN	
Sherburne, MN	
Stearns, MN	
St. Joseph, MO	.9466
Buchanan, MO	
*St. Louis, MO-IL	.9260
Clinton, IL	
Jersey, IL	
Madison, IL	
Monroe, IL	
St. Clair, IL	
Franklin, MO	
Jefferson, MO	
St. Charles, MO	
S. Louis, MO	
St. Louis City, MO	
Salem, OR	1.0503
Marion, OR	
Polk, OR	
Salinas-Seaside-Monterey, CA	1.3088
Monterey, CA	
*Salt Lake City-Ogden, UT	.9791
Davis, UT	
Salt Lake, UT	
Weber, UT	
San Angelo, TX	.8184
Tom Green, TX	
*San Antonio, TX	.8452
Bexar, TX	
Comal, TX	
Guadalupe, TX	
*San Diego, CA	1.1953
San Diego, CA	
*San Francisco, CA	1.4214
Marin, CA	
San Francisco, CA	
San Mateo, CA	
*San Jose, CA	1.4747
Santa Clara, CA	
*San Juan, PR	.4868
Barcelona, PR	
Bayoman, PR	
Canovanas, PR	
Carolina, PR	
Catano, PR	
Corozal, PR	
Dorado, PR	
Fajardo, PR	
Florida, PR	
Guaynabo, PR	
Humacao, PR	
Juncos, PR	
Los Piedras, PR	
Loiza, PR	
Luguillo, PR	
Manati, PR	
Naranjito, PR	
Rio Grande, PR	
San Juan, PR	
Toa Alta, PR	
Toa Baja, PR	
Trojillo Alto, PR	
Vega Alta, PR	
Vega Baja, PR	
Santa Barbara-Santa Maria-Lompoc, CA	1.1806
Santa Barbara, CA	
Santa Cruz, CA	1.2855
Santa Cruz, CA	
Santa Fe, NM	.9189
Los Alamos, NM	
Sante Fe, NM	
Santa Rosa-Petaluma, CA	1.2921
Sonoma, CA	
Sarasota, FL	.9571
Sarasota, FL	
Savannah, GA	.8373
Chatham, GA	
Effingham, GA	
Scranton-Wilkes Barre, PA	.8985
Columbia, PA	
Lackawanna, PA	
Luzerne, PA	
Monroe, PA	
Wyoming, PA	
*Seattle, WA	1.0873
King, WA	
Snohomish, WA	
Sharon, PA	.9111
Mercer, PA	
Sheboygan, WI	.8921
Sheboygan, WI	
Sherman-Denison, TX	.9132
Grayson, TX	
Shreveport, LA	.9351
Bossier, LA	
Caddo, LA	
Sioux City, IA-NE	.8551
Woodbury, IA	
Dakota, NE	
Sioux Falls, SD	.8882
Minnehaha, SD	
South Bend-Mishawaka, IN	1.0123
St. Joseph, IN	
Spokane, WA	1.0753
Spokane, WA	
Springfield, IL	.9350
Menard, IL	
Sangamon, IL	
Springfield, MO	.8127
Christian, MO	
Greene, MO	
Springfield, MA	.9919
Hampden, MA	
Hampshire, MA	
State College, PA	.9956
Centre, PA	
Steubenville-Weirton, OH-WV	.8760
Jefferson, OH	
Brooke, WV	
Hancock, WV	
Stockton, CA	1.1312
San Joaquin, CA	
Syracuse, NY	.9614
Madison, NY	
Onondaga, NY	
Oswego, NY	
Tacoma, WA	1.0142
Pierce, WA	
Tallahassee, FL	.9054
Gadsden, FL	
Leon, FL	
*Tampa-St. Petersburg-Clearwater, FL	.9249
Hernando, FL	
Hillsborough, FL	
Pasco, FL	
Pinellas, FL	
Terre Haute, IN	.8859
Clay, IN	
Vigo, IN	
Texarkana-TX-Texarkana, AR	.7910
Miller, AR	
Bowie, TX	
Toledo, OH	.9959
Fulton, OH	
Lucas, OH	
Wood, OH	
Topeka, KS	.9274
Shawnee, KS	
Trenton, NJ	1.0094
Mercer, NJ	
Tucson, AZ	.9644
Pima, AZ	
Tulsa, OK	.8443
Creeks, OK	
Osage, OK	
Rogers, OK	
Tulsa, OK	
Wagoner, OK	
Tuscaloosa, AL	.8568
Tuscaloosa, AL	
Tyler, TX	.9267
Smith, TX	
Utica-Rome, NY	.8362
Herkimer, NY	
Oneida, NY	
Vallejo-Fairfield Napa, CA	1.3564
Napa, CA	
Solano, CA	
Vancouver, WA	1.0858
Clark, WA	
Victoria, TX	.9043
Victoria, TX	
Vineland-Millville-Bridgeton, NJ	.9813
Cumberland, NJ	
Visalia-Tulare-Porterville, CA	1.1005
Tulare, CA	
Waco, TX	.7828
McLennan, TX	
*Washington, DC-MD-VA	1.1003
District of Columbia, DC	

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas that qualify as large urban areas are designated with an asterisk]

Urban Area (constituent counties or county equivalents)	Wage index
Calvert, MD	
Charles, MD	
Frederick, MD	
Montgomery, MD	
Prince Georges, MD	
Alexandria City, VA	
Arlington, VA	
Fairfax, VA	
Fairfax City, VA	
Loudoun, VA	
Manassas City, VA	
Manassas Park City, VA	
Prince William, VA	
Stafford, VA	
Waterloo-Cedar Falls, IA	.8529
Black Hawk, IA	
Bremer, IA	
Wausau, WI	.9802
Marathon, WI	
West Palm Beach-Boca Raton-Delray Beach, FL	1.0190
Palm Beach, FL	
Wheeling, WV-OH	.7649
Belmont, OH	
Marshall, WV	
Ohio, WV	
Wichita, KS	.9892
Butler, KS	
Harvey, KS	
Sedgwick, KS	
Wichita Falls, TX	.7958
Wichita, TX	
Williamsport, PA	.8905
Lycoming, PA	
Wilmington, DE-NJ-MD	1.0930
New Castle, DE	
Cecil, MD	
Salem, NJ	
Wilmington, NC	.8764
New Hanover, NC	
Worcester-Fitchburg-Leominster, MA	1.0494
Yakima, WA	1.0118
Yakima, WA	
York, PA	.9071
Adams, PA	
York, PA	
Youngstown-Warren, OH	.9920
Mahoning, OH	
Trumbull, OH	
Yuba City, CA	1.0270
Sutter, CA	
Yuba, CA	

TABLE 4b.—WAGE INDEX FOR RURAL AREAS

Nonurban area	Wage index
Alabama	0.7143
Alaska	1.3492
Arizona	0.8705
Arkansas	0.7008
California	1.0262
Colorado	0.8455
Connecticut	1.1582
Delaware	0.8819
Florida	0.8747
Georgia	0.7759
Hawaii	0.9699
Idaho	0.8993
Illinois	0.7751
Indiana	0.7790

TABLE 4b.—WAGE INDEX FOR RURAL AREAS—Continued

Nonurban area	Wage index
Iowa	0.7548
Kansas	0.7499
Kentucky	0.7835
Louisiana	0.7362
Maine	0.8338
Maryland	0.8106
Massachusetts	1.1433
Michigan	0.8867
Minnesota	0.8329
Mississippi	0.6854
Missouri	0.7219
Montana	0.8223
Nebraska	0.6946
Nevada	0.9756
New Hampshire	0.9414
New Jersey [1]	
New Mexico	0.8170
New York	0.8504
North Carolina	0.7914
North Dakota	0.7759
Ohio	0.8451
Oklahoma	0.7423
Oregon	0.9406
Pennsylvania	0.8686
Puerto Rico	0.4459
Rhode Island [1]	
South Carolina	0.7706
South Dakota	0.7213
Tennessee	0.7367
Texas	0.7547
Utah	0.9032
Vermont	0.9122
Virginia	0.7846
Washington	0.9474
West Virginia	0.8570
Wisconsin	0.8450
Wyoming	0.8519

[1] All counties within the State are classified urban.

TABLE 4c.—WAGE INDEX FOR RURAL COUNTIES WHOSE HOSPITALS ARE DEEMED URBAN—USING URBAN AREA WAGE INDEX

County	Urban area	Wage index
Christian, IL	Springfield, IL	0.9350
Macoupin, IL	St. Louis, MO-IL	0.9260
Mason, IL	Peoria, IL	0.8712
Clinton, IN	Lafayette, IN	0.8479
Henry, IN	Anderson, IN	0.8246
Jefferson, KS	Topeka, KS	0.9274
Allegan, MI	Grand Rapids, MI	0.9757
Barry, MI	Battle Creek, MI	0.9517
Clinton, MO	Kansas City, KS-MO.	0.9411
Cherokee, SC	Greenville-Spartanburg, SC.	0.8857
Bedford, VA	Roanoke, VA	0.8330
Fredericksburg City, VA.	Washington, DC-MD-VA.	1.1003
Jefferson, WI	Milwaukee, WI	0.9770
Walworth, WI	Milwaukee, WI	0.9770
Jefferson, WV	Washington, DC-MD-VA.	1.1003

TABLE 4d.—WAGE INDEX FOR RURAL COUNTIES WHOSE HOSPITALS ARE DEEMED URBAN—COMPUTED AS SEPARATE URBAN AREAS

County	Urban area	Wage index
Limestone, AL	Huntsville, AL	0.7413
Charlotte, FL	Sarasota, FL	0.8771
Indian River, FL	Fort Pierce, FL	0.9096
Lenawee, MI	Ann Arbor, MI	0.9052
Shiawassee, MI	Flint, MI	0.9153

TABLE 4e.—WAGE INDEX FOR RURAL COUNTIES WHOSE HOSPITALS ARE DEEMED URBAN—USING STATEWIDE RURAL WAGE INDEX

County	Urban area	Wage index
Marshall, AL	Huntsville, AL	0.7143
Cass, MI	Benton Harbor, MI	0.8867
Ionia, MI	Lansing-East Lansing, MI.	0.8867
Tuscola, MI	Saginaw-Bay City-Midland, MI.	0.8867
Van Buren, MI	Kalamazoo, MI	0.8867
Harnett, NC	Fayetteville, NC	0.7914
Genesee, NY	Rochester, NY	0.8504
Columbiana, OH	Beaver County, PA	0.8451
Morrow, OH	Mansfield, OH	0.8568
Van Wert, OH	Lima, OH	0.8451
Lawrence, PA	Beaver County, PA	0.8686

TABLE 4f.—WAGE AREAS SUBJECT TO WAGE INDEX PHASE-IN (WAGE INDEX VALUES INCREASE/DECREASE MORE THAN 10 PERCENT FROM FY 1990 (1984 WAGE DATA) TO FY 1991 (1988 WAGE DATA))

Area	Actual wage index	Proposed wage index
Gadsden, AL	0.7651	0.7661
Oxnard-Ventura, CA	1.2308	1.2409
Vallejo-Fairfield-Napa, CA	1.3628	1.3564
Visalia-Tulare-Porterville, CA	1.0493	1.1005
Connecticut (Rural)	1.1971	1.1582
New Haven-West Haven-Waterbury-Meriden, CT	1.2190	1.2017
Panama City, FL	0.8731	0.8711
Tallahassee, FL	0.9182	0.9054
Macon-Warner Robins, GA	0.8852	0.8718
Dubuque, IA	0.8348	0.8429
Iowa City, IA	0.9518	0.9687
Bloomington-Normal, IL	0.7957	0.8324
Decatur, IL	0.7737	0.7875
Peoria, IL	0.8712	0.8763
Muncie, IN	0.8662	0.8674
Worcester-Fitchburg-Leominster, MA	1.0630	1.0494
Massachusetts (Rural)	1.1718	1.1433
Cumberland, MD-WV	0.8189	0.8199
Kalamazoo, MI	1.2600	1.2399
Lenawee County, MI [1]	0.8887	0.9052
Shiawassee County, MI [1]	0.9093	0.9153

TABLE 4f.—WAGE AREAS SUBJECT TO WAGE INDEX PHASE-IN (WAGE INDEX VALUES INCREASE/DECREASE MORE THAN 10 PERCENT FROM FY 1990 (1984 WAGE DATA) TO FY 1991 (1988 WAGE DATA))—Continued

Area	Actual wage index	Proposed wage index
Charlotte-Gastonia-Rock Hill, NC-SC	0.9579	0.9395
Manchester-Nashua, NH	1.0397	1.0361
Lima, OH	0.7451	0.7856
Arecibo, PR	0.3919	0.3926
Caquas, PR	0.4379	0.4375
Ponce, PR	0.4460	0.4693
Puerto Rico (Rural)	0.4084	0.4459
Florence, SC	0.8475	0.8475
Austin, TX	0.8649	0.8957
Galveston-Texas City, TX	0.9469	0.9604
Lubbock, TX	0.8731	0.8737
Midland, TX	1.2083	1.1828
Provo-Orem, UT	1.0324	1.0263
Wheeling, WV-OH	0.7600	0.7649
Richland-Kennewick, WA	0.8237	0.8493
Kenosha, WI	0.8904	0.9189
Cheyenne, WY	0.7342	0.7625

[1] Rural counties whose hospitals are deemed urban and computed as separate urban areas.

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TABLE 5

LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM

				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
1	01	SURG	CRANIOTOMY AGE >17 EXCEPT FOR TRAUMA	3.3285	12.8	42
2	01	SURG	CRANIOTOMY FOR TRAUMA AGE >17	3.5136	12.0	41
3	01	SURG	CRANIOTOMY AGE 0-17	2.8830	12.7	42
4	01	SURG**	SPINAL PROCEDURES	2.4289	10.7	40
5	01	SURG	EXTRACRANIAL VASCULAR PROCEDURES	1.5129	5.8	35
6	01	SURG	CARPAL TUNNEL RELEASE	.4728	2.0	18
7	01	SURG	PERIPH & CRANIAL NERVE & OTHER NERV SYST PROC WITH CC	2.6033	11.3	40
8	01	SURG	PERIPH & CRANIAL NERVE & OTHER NERV SYST PROC W/O CC	.7373	3.0	32
9	01	MED	SPINAL DISORDERS & INJURIES	1.2129	6.9	36
10	01	MED	NERVOUS SYSTEM NEOPLASMS WITH CC	1.2678	7.8	37
11	01	MED	NERVOUS SYSTEM NEOPLASMS W/O CC	.7734	4.7	34
12	01	MED	DEGENERATIVE NERVOUS SYSTEM DISORDERS	.9199	6.9	36
13	01	MED	MULTIPLE SCLEROSIS & CEREBELLAR ATAXIA	.8719	7.1	36
14	01	MED	SPECIFIC CEREBROVASCULAR DISORDERS EXCEPT TIA	1.2119	7.3	36
15	01	MED	TRANSIENT ISCHEMIC ATTACK & PRECEREBRAL OCCLUSIONS	.6386	4.2	33
16	01	MED	NONSPECIFIC CEREBROVASCULAR DISORDERS W CC	1.0602	6.7	36
17	01	MED	NONSPECIFIC CEREBROVASCULAR DISORDERS W/O CC	.6239	4.4	33
18	01	MED	CRANIAL & PERIPHERAL NERVE DISORDERS WITH CC	.8656	5.9	35
19	01	MED	CRANIAL & PERIPHERAL NERVE DISORDERS W/O CC	.5620	3.9	33
20	01	MED	NERVOUS SYSTEM INFECTION EXCEPT VIRAL MENINGITIS	1.8708	8.4	37
21	01	MED	VIRAL MENINGITIS	1.4290	7.5	36
22	01	MED	HYPERTENSIVE ENCEPHALOPATHY	.7156	4.4	33
23	01	MED	NONTRAUMATIC STUPOR & COMA	.8276	4.3	33
24	01	MED	SEIZURE & HEADACHE AGE >17 WITH CC	.9567	5.3	34
25	01	MED	SEIZURE & HEADACHE AGE >17 W/O CC	.5178	3.5	28
26	01	MED	SEIZURE & HEADACHE AGE 0-17	.8528	4.1	33
27	01	MED	TRAUMATIC STUPOR & COMA, COMA >1 HR	1.3209	4.2	33
28	01	MED	TRAUMATIC STUPOR & COMA, COMA <1 HR AGE >17 WITH CC	1.1965	5.9	35
29	01	MED	TRAUMATIC STUPOR & COMA, COMA <1 HR AGE >17 W/O CC	.5660	3.3	32
30	01	MED	TRAUMATIC STUPOR & COMA, COMA <1 HR AGE 0-17	.3498	2.0	17
31	01	MED	CONCUSSION AGE >17 WITH CC	.6850	4.2	33
32	01	MED	CONCUSSION AGE >17 W/O CC	.4060	2.7	25
33	01	MED	CONCUSSION AGE 0-17	.2427	1.6	9
34	01	MED	OTHER DISORDERS OF NERVOUS SYSTEM WITH CC	1.1668	6.0	35
35	01	MED	OTHER DISORDERS OF NERVOUS SYSTEM W/O CC	.5459	3.6	33

* MEDICARE DATA HAVE BEEN SUPPLEMENTED BY DATA FROM MARYLAND AND MICHIGAN FOR LOW VOLUME DRGS.
** DRGS 469 AND 470 CONTAIN CASES WHICH COULD NOT BE ASSIGNED TO VALID DRGS.
NOTE: GEOMETRIC MEAN IS USED ONLY TO DETERMINE PAYMENT FOR OUTLIER AND TRANSFER CASES.
NOTE: RELATIVE WEIGHTS ARE BASED ON MEDICARE PATIENT DATA AND MAY NOT BE APPROPRIATE FOR OTHER PATIENTS.

TABLE 5

LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM

				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
36	02	SURG	RETINAL PROCEDURES	.6453	2.3	13
37	02	SURG	ORBITAL PROCEDURES	.7405	2.9	32
38	02	SURG	PRIMARY IRIS PROCEDURES	.3617	2.2	18
39	02	SURG	LENS PROCEDURES WITH OR WITHOUT VITRECTOMY	.4398	1.6	8
40	02	SURG	EXTRAOCULAR PROCEDURES EXCEPT ORBIT AGE >17	.4880	2.0	22
41	02	SURG	EXTRAOCULAR PROCEDURES EXCEPT ORBIT AGE 0-17	.3613	1.6	7
42	02	SURG	INTRAOCULAR PROCEDURES EXCEPT RETINA, IRIS & LENS	.6174	2.2	16
43	02	MED	HYPHEMA	.3855	3.9	33
44	02	MED	ACUTE MAJOR EYE INFECTIONS	.5921	5.5	35
45	02	MED	NEUROLOGICAL EYE DISORDERS	.5586	3.3	28
46	02	MED	OTHER DISORDERS OF THE EYE AGE >17 W CC	.6656	4.2	33
47	02	MED	OTHER DISORDERS OF THE EYE AGE >17 W/O CC	.3533	2.6	27
48	02	MED	OTHER DISORDERS OF THE EYE AGE 0-17	.3969	2.9	30
49	03	SURG	MAJOR HEAD & NECK PROCEDURES	2.7468	9.7	39
50	03	SURG	SIALOADENECTOMY	.6352	2.2	14
51	03	SURG	SALIVARY GLAND PROCEDURES EXCEPT SIALOADENECTOMY	.5696	2.1	19
52	03	SURG	CLEFT LIP & PALATE REPAIR	.7420	2.6	26
53	03	SURG	SINUS & MASTOID PROCEDURES AGE >17	.6251	1.9	19
54	03	SURG	SINUS & MASTOID PROCEDURES AGE 0-17	.6806	3.2	22
55	03	SURG	MISCELLANEOUS EAR, NOSE, MOUTH & THROAT PROCEDURES	.4834	1.6	12
56	03	SURG	RHINOPLASTY	.5158	1.9	18
57	03	SURG	T&A PROC, EXCEPT TONSILLECTOMY &/OR ADENOIDECTOMY ONLY, AGE >17	.8555	3.4	32
58	03	SURG	T&A PROC, EXCEPT TONSILLECTOMY &/OR ADENOIDECTOMY ONLY, AGE 0-17	.3060	1.5	4
59	03	SURG	TONSILLECTOMY &/OR ADENOIDECTOMY ONLY, AGE >17	.4210	1.6	13
60	03	SURG	TONSILLECTOMY &/OR ADENOIDECTOMY ONLY, AGE 0-17	.2584	1.5	4
61	03	SURG	MYRINGOTOMY W TUBE INSERTION AGE >17	.7532	2.2	31
62	03	SURG	MYRINGOTOMY W TUBE INSERTION AGE 0-17	.3052	1.3	5
63	03	SURG	OTHER EAR, NOSE, MOUTH & THROAT O.R. PROCEDURES	1.0007	3.8	33
64	03	MED	EAR, NOSE, MOUTH & THROAT MALIGNANCY	1.0560	5.0	34
65	03	MED	DYSEQUILIBRIUM	.4603	3.3	23
66	03	MED	EPISTAXIS	.4504	3.3	24
67	03	MED	EPIGLOTTITIS	.8270	4.3	33
68	03	MED	OTITIS MEDIA & URI AGE >17 WITH CC	.7144	4.9	32
69	03	MED	OTITIS MEDIA & URI AGE >17 W/O CC	.5042	3.8	24
70	03	MED	OTITIS MEDIA & URI AGE 0-17	.3478	2.7	21

* MEDICARE DATA HAVE BEEN SUPPLEMENTED BY DATA FROM MARYLAND AND MICHIGAN FOR LOW VOLUME DRGS.
** DRGS 469 AND 470 CONTAIN CASES WHICH COULD NOT BE ASSIGNED TO VALID DRGS.
NOTE: GEOMETRIC MEAN IS USED ONLY TO DETERMINE PAYMENT FOR OUTLIER AND TRANSFER CASES.
NOTE: RELATIVE WEIGHTS ARE BASED ON MEDICARE PATIENT DATA AND MAY NOT BE APPROPRIATE FOR OTHER PATIENTS.

TABLE 5

LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM

				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
71	03	MED	LARYNGOTRACHEITIS	.6980	4.3	28
72	03	MED	NASAL TRAUMA & DEFORMITY	.5386	3.2	32
73	03	MED	OTHER EAR, NOSE, MOUTH & THROAT DIAGNOSES AGE >17	.7270	4.1	33
74	03	MED	OTHER EAR, NOSE, MOUTH & THROAT DIAGNOSES AGE 0-17	.3386	2.1	20
75	04	SURG	MAJOR CHEST PROCEDURES	2.9624	11.7	41
76	04	SURG	OTHER RESP SYSTEM O.R. PROCEDURES W CC	2.2973	10.4	39
77	04	SURG	OTHER RESP SYSTEM O.R. PROCEDURES W/O CC	1.0409	4.6	34
78	04	MED	PULMONARY EMBOLISM	1.4299	8.8	38
79	04	MED	RESPIRATORY INFECTIONS & INFLAMMATIONS AGE >17 WITH CC	1.6029	9.3	38
80	04	MED	RESPIRATORY INFECTIONS & INFLAMMATIONS AGE >17 W/O CC	1.0351	6.8	36
81	04	MED	RESPIRATORY INFECTIONS & INFLAMMATIONS AGE 0-17	1.0899	6.1	35
82	04	MED	RESPIRATORY NEOPLASMS	1.2119	6.7	36
83	04	MED	MAJOR CHEST TRAUMA WITH CC	.9481	6.3	35
84	04	MED	MAJOR CHEST TRAUMA W/O CC	.4747	3.7	28
85	04	MED	PLEURAL EFFUSION WITH CC	1.1476	6.8	36
86	04	MED	PLEURAL EFFUSION W/O CC	.6959	4.4	33
87	04	MED	PULMONARY EDEMA & RESPIRATORY FAILURE	1.3827	6.0	35
88	04	MED	CHRONIC OBSTRUCTIVE PULMONARY DISEASE	.9926	5.9	35
89	04	MED	SIMPLE PNEUMONIA & PLEURISY AGE >17 WITH CC	1.1800	7.2	36
90	04	MED	SIMPLE PNEUMONIA & PLEURISY AGE >17 W/O CC	.7492	5.6	31
91	04	MED	SIMPLE PNEUMONIA & PLEURISY AGE 0-17	.8400	5.7	29
92	04	MED	INTERSTITIAL LUNG DISEASE WITH CC	1.2129	6.9	36
93	04	MED	INTERSTITIAL LUNG DISEASE W/O CC	.7562	4.9	34
94	04	MED	PNEUMOTHORAX WITH CC	1.2600	7.2	36
95	04	MED	PNEUMOTHORAX W/O CC	.6543	4.7	34
96	04	MED	BRONCHITIS & ASTHMA AGE >17 WITH CC	.9517	5.9	35
97	04	MED	BRONCHITIS & ASTHMA AGE >17 W/O CC	.6536	4.6	26
98	04	MED	BRONCHITIS & ASTHMA AGE 0-17	.6404	4.7	24
99	04	MED	RESPIRATORY SIGNS & SYMPTOMS WITH CC	.8317	4.4	33
100	04	MED	RESPIRATORY SIGNS & SYMPTOMS W/O CC	.5052	2.7	19
101	04	MED	OTHER RESPIRATORY SYSTEM DIAGNOSES WITH CC	.9101	5.1	34
102	04	MED	OTHER RESPIRATORY SYSTEM DIAGNOSES W/O CC	.5386	3.4	32
103	05	SURG	HEART TRANSPLANT	10.9964	24.7	54
104	05	SURG	CARDIAC VALVE PROCEDURES W CARDIAC CATH	7.9499	18.2	47
105	05	SURG	CARDIAC VALVE PROCEDURES W/O CARDIAC CATH	5.9966	12.9	42

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** DRGS 469 AND 470 CONTAIN CASES WHICH COULD NOT BE ASSIGNED TO VALID DRGS.
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				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
106	05	SURG	CORONARY BYPASS W CARDIAC CATH	5.3556	14.0	43
107	05	SURG	CORONARY BYPASS W/O CARDIAC CATH	4.0518	10.6	37
108	05	SURG	OTHER CARDIOTHORACIC PROCEDURES	6.0054	11.1	40
109	05	SURG	* NO LONGER VALID	.0000	.0	0
110	05	SURG	MAJOR CARDIOVASCULAR PROCEDURES WITH CC	4.1360	11.2	40
111	05	SURG	MAJOR CARDIOVASCULAR PROCEDURES W/O CC	2.4365	8.7	38
112	05	SURG	PERCUTANEOUS CARDIOVASCULAR PROCEDURES	1.9061	5.1	34
113	05	SURG	AMPUTATION FOR CIRC SYSTEM DISORDERS EXCEPT UPPER LIMB & TOE	2.3733	13.7	43
114	05	SURG	UPPER LIMB & TOE AMPUTATION FOR CIRC SYSTEM DISORDERS	1.5705	9.3	38
115	05	SURG	PERM CARDIAC PACEMAKER IMPLANT W AMI, HEART FAILURE OR SHOCK	3.7357	12.0	41
116	05	SURG	PERM CARDIAC PACEMAKER IMPLANT W/O AMI, HEART FAILURE OR SHOCK	2.4987	5.8	35
117	05	SURG	CARDIAC PACEMAKER REVISION EXCEPT DEVICE REPLACEMENT	1.3652	3.8	33
118	05	SURG	CARDIAC PACEMAKER DEVICE REPLACEMENT	1.7290	3.0	32
119	05	SURG	VEIN LIGATION & STRIPPING	.8068	3.4	32
120	05	SURG	OTHER CIRCULATORY SYSTEM O.R. PROCEDURES	2.5005	10.2	38
121	05	MED	CIRCULATORY DISORDERS W AMI & C.V. COMP DISCH ALIVE	1.5689	8.2	37
122	05	MED	CIRCULATORY DISORDERS W AMI W/O C.V. COMP DISCH ALIVE	1.1089	5.8	35
123	05	MED	CIRCULATORY DISORDERS W AMI, EXPIRED	1.3638	3.0	32
124	05	MED	CIRCULATORY DISORDERS EXCEPT AMI, W CARD CATH & COMPLEX DIAG	1.1765	4.3	33
125	05	MED	CIRCULATORY DISORDERS EXCEPT AMI, W CARD CATH W/O COMPLEX DIAG	.6967	2.2	21
126	05	MED	ACUTE & SUBACUTE ENDOCARDITIS	2.9416	17.0	46
127	05	MED	HEART FAILURE & SHOCK	.9986	6.1	35
128	05	MED	DEEP VEIN THROMBOPHLEBITIS	.8017	7.7	34
129	05	MED	CARDIAC ARREST, UNEXPLAINED	1.3089	2.6	32
130	05	MED	PERIPHERAL VASCULAR DISORDERS WITH CC	.8919	6.0	35
131	05	MED	PERIPHERAL VASCULAR DISORDERS W/O CC	.5811	4.4	33
132	05	MED	ATHEROSCLEROSIS WITH CC	.7214	4.1	33
133	05	MED	ATHEROSCLEROSIS W/O CC	.5175	3.1	26
134	05	MED	HYPERTENSION	.5967	4.2	33
135	05	MED	CARDIAC CONGENITAL & VALVULAR DISORDERS AGE > 17 WITH CC	.8593	4.9	34
136	05	MED	CARDIAC CONGENITAL & VALVULAR DISORDERS AGE > 17 W/O CC	.5418	3.3	26
137	05	MED	CARDIAC CONGENITAL & VALVULAR DISORDERS AGE 0-17	.6239	3.3	32
138	05	MED	CARDIAC ARRHYTHMIA & CONDUCTION DISORDERS WITH CC	.8284	4.6	34
139	05	MED	CARDIAC ARRHYTHMIA & CONDUCTION DISORDERS W/O CC	.5299	3.2	24
140	05	MED	ANGINA PECTORIS	.6267	3.8	25

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				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
141	05	MED	SYNCOPE & COLLAPSE WITH CC	.6867	4.4	33
142	05	MED	SYNCOPE & COLLAPSE W/O CC	.4989	3.2	22
143	05	MED	CHEST PAIN	.5114	2.8	18
144	05	MED	OTHER CIRCULATORY SYSTEM DIAGNOSES W CC	1.0799	5.5	34
145	05	MED	OTHER CIRCULATORY SYSTEM DIAGNOSES W/O CC	.5897	3.2	26
146	06	SURG	RECTAL RESECTION WITH CC	2.5731	13.0	42
147	06	SURG	RECTAL RESECTION W/O CC	1.6257	9.4	38
148	06	SURG	MAJOR SMALL & LARGE BOWEL PROCEDURES WITH CC	3.1768	13.8	43
149	06	SURG	MAJOR SMALL & LARGE BOWEL PROCEDURES W/O CC	1.5956	9.4	31
150	06	SURG	PERITONEAL ADHESIOLYSIS WITH CC	2.5126	11.8	41
151	06	SURG	PERITONEAL ADHESIOLYSIS W/O CC	1.2714	7.4	36
152	06	SURG	MINOR SMALL & LARGE BOWEL PROCEDURES WITH CC	1.4647	7.6	37
153	06	SURG	MINOR SMALL & LARGE BOWEL PROCEDURES W/O CC	1.0094	6.4	33
154	06	SURG	STOMACH, ESOPHAGEAL & DUODENAL PROCEDURES AGE > 17 WITH CC	3.5822	12.3	41
155	06	SURG	STOMACH, ESOPHAGEAL & DUODENAL PROCEDURES AGE > 17 W/O CC	1.4710	7.5	36
156	06	SURG	STOMACH, ESOPHAGEAL & DUODENAL PROCEDURES AGE 0-17	.8281	6.0	35
157	06	SURG	ANAL & STOMAL PROCEDURES WITH CC	.9166	4.8	34
158	06	SURG	ANAL & STOMAL PROCEDURES W/O CC	.4836	2.6	19
159	06	SURG	HERNIA PROCEDURES EXCEPT INGUINAL & FEMORAL AGE >17 WITH CC	1.0717	5.1	34
160	06	SURG	HERNIA PROCEDURES EXCEPT INGUINAL & FEMORAL AGE >17 W/O CC	.6136	3.1	21
161	06	SURG	INGUINAL & FEMORAL HERNIA PROCEDURES AGE >17 WITH CC	.7180	3.3	32
162	06	SURG	INGUINAL & FEMORAL HERNIA PROCEDURES AGE >17 W/O CC	.4401	2.0	12
163	06	SURG	HERNIA PROCEDURES AGE 0-17	.6672	3.4	32
164	06	SURG	APPENDECTOMY W COMPLICATED PRINCIPAL DIAG WITH CC	2.2578	10.3	39
165	06	SURG	APPENDECTOMY W COMPLICATED PRINCIPAL DIAG W/O CC	1.2913	7.2	25
166	06	SURG	APPENDECTOMY W/O COMPLICATED PRINCIPAL DIAG WITH CC	1.3845	6.6	36
167	06	SURG	APPENDECTOMY W/O COMPLICATED PRINCIPAL DIAG W/O CC	.7731	4.2	16
168	03	SURG	MOUTH PROCEDURES WITH CC	.9882	3.7	33
169	03	SURG	MOUTH PROCEDURES W/O CC	.5512	2.1	18
170	06	SURG	OTHER DIGESTIVE SYSTEM O.R. PROCEDURES WITH CC	2.6938	11.0	40
171	06	SURG	OTHER DIGESTIVE SYSTEM O.R. PROCEDURES W/O CC	1.1602	5.8	35
172	06	MED	DIGESTIVE MALIGNANCY WITH CC	1.2364	7.1	36
173	06	MED	DIGESTIVE MALIGNANCY W/O CC	.6355	3.8	33
174	06	MED	G.I. HEMORRHAGE WITH CC	.9427	5.5	34
175	06	MED	G.I. HEMORRHAGE W/O CC	.5648	3.9	24

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				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
176	06	MED	COMPLICATED PEPTIC ULCER	.9754	5.9	35
177	06	MED	UNCOMPLICATED PEPTIC ULCER WITH CC	.7695	5.2	32
178	06	MED	UNCOMPLICATED PEPTIC ULCER W/O CC	.5495	3.9	21
179	06	MED	INFLAMMATORY BOWEL DISEASE	1.0818	7.1	36
180	06	MED	G.I. OBSTRUCTION WITH CC	.9103	5.8	35
181	06	MED	G.I. OBSTRUCTION W/O CC	.5094	3.9	27
182	06	MED	ESOPHAGITIS, GASTROENT & MISC DIGEST DISORDERS AGE >17 WITH CC	.7449	4.9	34
183	06	MED	ESOPHAGITIS, GASTROENT & MISC DIGEST DISORDERS AGE >17 W/O CC	.5171	3.5	25
184	06	MED	ESOPHAGITIS, GASTROENT & MISC DIGEST DISORDERS AGE 0-17	.6301	3.1	32
185	03	MED	DENTAL & ORAL DIS EXCEPT EXTRACTIONS & RESTORATIONS, AGE >17	.7537	4.3	33
186	03	MED	DENTAL & ORAL DIS EXCEPT EXTRACTIONS & RESTORATIONS, AGE 0-17	.4062	2.9	23
187	03	MED	DENTAL EXTRACTIONS & RESTORATIONS	.4761	2.2	21
188	06	MED	OTHER DIGESTIVE SYSTEM DIAGNOSES AGE >17 WITH CC	.9581	5.1	34
189	06	MED	OTHER DIGESTIVE SYSTEM DIAGNOSES AGE >17 W/O CC	.4794	2.9	32
190	06	MED	OTHER DIGESTIVE SYSTEM DIAGNOSES AGE 0-17	.6508	4.1	28
191	07	SURG	PANCREAS, LIVER & SHUNT PROCEDURES WITH CC.	4.6531	15.8	45
192	07	SURG	PANCREAS, LIVER & SHUNT PROCEDURES W/O CC	1.9515	9.1	38
193	07	SURG	BILIARY TRACT PROC W CC EXCEPT ONLY TOT CHOLECYST W OR W/O C.D.E	2.9813	14.2	43
194	07	SURG	BILIARY TRACT PROC W/O CC EXCEPT ONLY TOT CHOLECYST W OR W/O C.D.E	1.7359	9.9	39
195	07	SURG	TOTAL CHOLECYSTECTOMY W C.D.E. WITH CC	2.1865	11.0	40
196	07	SURG	TOTAL CHOLECYSTECTOMY W C.D.E. W/O CC	1.4157	8.2	30
197	07	SURG	TOTAL CHOLECYSTECTOMY W/O C.D.E. WITH CC	1.6619	8.3	37
198	07	SURG	TOTAL CHOLECYSTECTOMY W/O C.D.E. W/O CC	.9431	5.5	20
199	07	SURG	HEPATOBILIARY DIAGNOSTIC PROCEDURE FOR MALIGNANCY	2.2923	11.8	41
200	07	SURG	HEPATOBILIARY DIAGNOSTIC PROCEDURE FOR NON-MALIGNANCY	2.8739	10.1	39
201	07	SURG	OTHER HEPATOBILIARY OR PANCREAS O.R. PROCEDURES	2.4112	8.9	38
202	07	MED	CIRRHOSIS & ALCOHOLIC HEPATITIS	1.1979	7.2	36
203	07	MED	MALIGNANCY OF HEPATOBILIARY SYSTEM OR PANCREAS	1.1237	6.7	36
204	07	MED	DISORDERS OF PANCREAS EXCEPT MALIGNANCY	1.0570	6.1	35
205	07	MED	DISORDERS OF LIVER EXCEPT MALIG,CIRR,ALC HEPA WITH CC	1.1937	6.7	36
206	07	MED	DISORDERS OF LIVER EXCEPT MALIG,CIRR,ALC HEPA W/O CC	.6113	3.8	33
207	07	MED	DISORDERS OF THE BILIARY TRACT WITH CC	.9501	5.5	35
208	07	MED	DISORDERS OF THE BILIARY TRACT W/O CC	.5565	3.4	27
209	08	SURG	MAJOR JOINT & LIMB REATTACHMENT PROCEDURES	2.3557	10.6	38
210	08	SURG	HIP & FEMUR PROCEDURES EXCEPT MAJOR JOINT AGE >17 WITH CC	1.9900	12.0	41

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				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
211	08	SURG	HIP & FEMUR PROCEDURES EXCEPT MAJOR JOINT AGE >17 W/O CC	1.4349	9.6	38
212	08	SURG	HIP & FEMUR PROCEDURES EXCEPT MAJOR JOINT AGE 0-17	.9224	4.4	15
213	08	SURG	AMPUTATION FOR MUSCULOSKELETAL SYSTEM & CONN TISSUE DISORDERS	1.7384	9.6	39
214	08	SURG	BACK & NECK PROCEDURES WITH CC	1.9095	9.9	39
215	08	SURG	BACK & NECK PROCEDURES W/O CC	1.1463	6.5	35
216	08	SURG	BIOPSIES OF MUSCULOSKELETAL SYSTEM & CONNECTIVE TISSUE	1.8339	9.4	38
217	08	SURG	WND DEBRID & SKN GRFT EXCEPT HAND,FOR MUSCSKELET & CONN TISS DIS	3.0590	13.9	43
218	08	SURG	LOWER EXTREM & HUMER PROC EXCEPT HIP,FOOT,FEMUR AGE >17 WITH CC	1.4615	7.7	37
219	08	SURG	LOWER EXTREM & HUMER PROC EXCEPT HIP,FOOT,FEMUR AGE >17 W/O CC	.9138	4.9	31
220	08	SURG	LOWER EXTREM & HUMER PROC EXCEPT HIP,FOOT,FEMUR AGE 0-17	.9130	5.3	34
221	08	SURG	KNEE PROCEDURES WITH CC	1.5817	6.9	36
222	08	SURG	KNEE PROCEDURES W/O CC	.9121	3.8	33
223	08	SURG	MAJOR SHOULDER/ELBOW PROC, OR OTHER UPPER EXTREMITY PROC W CC	.8172	3.5	27
224	08	SURG	SHOULDER,ELBOW OR FOREARM PROC,EXC MAJOR JOINT PROC, W/O CC	.6193	2.6	17
225	08	SURG	FOOT PROCEDURES	.7743	3.5	32
226	08	SURG	SOFT TISSUE PROCEDURES WITH CC	1.3123	6.1	35
227	08	SURG	SOFT TISSUE PROCEDURES W/O CC	.6567	2.9	26
228	08	SURG	MAJOR THUMB OR JOINT PROC,OR OTH HAND OR WRIST PROC W CC	.7385	2.6	25
229	08	SURG	HAND OR WRIST PROC, EXCEPT MAJOR JOINT PROC, W/O CC	.5321	1.9	16
230	08	SURG	LOCAL EXCISION & REMOVAL OF INT FIX DEVICES OF HIP & FEMUR	.8580	4.0	33
231	08	SURG	LOCAL EXCISION & REMOVAL OF INT FIX DEVICES EXCEPT HIP & FEMUR	.9258	3.6	33
232	08	SURG	ARTHROSCOPY	1.0088	3.6	33
233	08	SURG	OTHER MUSCULOSKELET SYS & CONN TISS O.R. PROC WITH CC	1.8007	8.8	38
234	08	SURG	OTHER MUSCULOSKELET SYS & CONN TISS O.R. PROC W/O CC	.8245	4.1	33
235	08	MED	FRACTURES OF FEMUR	1.1253	7.8	37
236	08	MED	FRACTURES OF HIP & PELVIS	.8431	6.7	36
237	08	MED	SPRAINS, STRAINS, & DISLOCATIONS OF HIP, PELVIS & THIGH	.5345	4.3	33
238	08	MED	OSTEOMYELITIS	1.5484	10.4	39
239	08	MED	PATHOLOGICAL FRACTURES & MUSCULOSKELETAL & CONN TISS MALIGNANCY	.9962	7.5	37
240	08	MED	CONNECTIVE TISSUE DISORDERS WITH CC	1.1174	7.1	36
241	08	MED	CONNECTIVE TISSUE DISORDERS W/O CC	.5812	4.8	34
242	08	MED	SEPTIC ARTHRITIS	1.2502	8.1	37
243	08	MED	MEDICAL BACK PROBLEMS	.6533	5.0	34
244	08	MED	BONE DISEASES & SPECIFIC ARTHROPATHIES WITH CC	.7209	5.4	34
245	08	MED	BONE DISEASES & SPECIFIC ARTHROPATHIES W/O CC	.4959	4.0	33

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				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
246	08	MED	NON-SPECIFIC ARTHROPATHIES	.5713	4.5	33
247	08	MED	SIGNS & SYMPTOMS OF MUSCULOSKELETAL SYSTEM & CONN TISSUE	.5288	3.7	33
248	08	MED	TENDONITIS, MYOSITIS & BURSITIS	.6295	4.4	33
249	08	MED	AFTERCARE, MUSCULOSKELETAL SYSTEM & CONNECTIVE TISSUE	.6273	3.9	33
250	08	MED	FX, SPRN, STRN & DISL OF FOREARM, HAND, FOOT AGE >17 WITH CC	.6882	4.4	33
251	08	MED	FX, SPRN, STRN & DISL OF FOREARM, HAND, FOOT AGE >17 W/O CC	.4291	2.5	23
252	08	MED	FX, SPRN, STRN & DISL OF FOREARM, HAND, FOOT AGE 0-17	.3454	1.8	15
253	08	MED	FX, SPRN, STRN & DISL OF UPARM,LOWLEG EX FOOT AGE >17 WITH CC	.7815	5.9	35
254	08	MED	FX, SPRN, STRN & DISL OF UPARM,LOWLEG EX FOOT AGE >17 W/O CC	.4277	3.6	33
255	08	MED	FX, SPRN, STRN & DISL OF UPARM,LOWLEG EX FOOT AGE 0-17	.4582	2.9	32
256	08	MED	OTHER MUSCULOSKELETAL SYSTEM & CONNECTIVE TISSUE DIAGNOSES	.6223	3.8	33
257	09	SURG	TOTAL MASTECTOMY FOR MALIGNANCY WITH CC	.9169	5.0	26
258	09	SURG	TOTAL MASTECTOMY FOR MALIGNANCY W/O CC	.7135	4.0	16
259	09	SURG	SUBTOTAL MASTECTOMY FOR MALIGNANCY WITH CC	.9479	4.4	33
260	09	SURG	SUBTOTAL MASTECTOMY FOR MALIGNANCY W/O CC	.5740	2.5	16
261	09	SURG	BREAST PROC FOR NON-MALIGNANCY EXCEPT BIOPSY & LOCAL EXCISION	.6448	2.3	15
262	09	SURG	BREAST BIOPSY & LOCAL EXCISION FOR NON-MALIGNANCY	.4487	1.9	15
263	09	SURG	SKIN GRAFT &/OR DEBRID FOR SKN ULCER OR CELLULITIS WITH CC	2.7448	15.9	45
264	09	SURG	SKIN GRAFT &/OR DEBRID FOR SKN ULCER OR CELLULITIS W/O CC	1.3476	9.2	38
265	09	SURG	SKIN GRAFT &/OR DEBRID EXCEPT FOR SKIN ULCER OR CELLULITIS W CC	1.3412	6.1	35
266	09	SURG	SKIN GRAFT &/OR DEBRID EXCEPT FOR SKIN ULCER OR CELLULITIS W/O CC	.6652	3.0	32
267	09	SURG	PERIANAL & PILONIDAL PROCEDURES	.6012	2.8	32
268	09	SURG	SKIN, SUBCUTANEOUS TISSUE & BREAST PLASTIC PROCEDURES	.7011	2.6	32
269	09		OTHER SKIN, SUBCUT TISS & BREAST PROCEDURE WITH CC	1.6902	8.2	37
270	09		OTHER SKIN, SUBCUT TISS & BREAST PROCEDURE W/O CC	.6659	3.2	32
271	09	MED	SKIN ULCERS	1.2527	9.0	38
272	09	MED	MAJOR SKIN DISORDERS WITH CC	1.0125	7.2	36
273	09	MED	MAJOR SKIN DISORDERS W/O CC	.6677	5.5	35
274	09	MED	MALIGNANT BREAST DISORDERS WITH CC	1.0974	6.6	36
275	09	MED	MALIGNANT BREAST DISORDERS W/O CC	.5516	3.2	32
276	09	MED	NON-MALIGANT BREAST DISORDERS	.5773	3.6	33
277	09	MED	CELLULITIS AGE >17 WITH CC	.9223	7.0	36
278	09	MED	CELLULITIS AGE >17 W/O CC	.6265	5.5	31
279	09	MED	CELLULITIS AGE 0-17	.7278	4.2	24
280	09	MED	TRAUMA TO THE SKIN, SUBCUT TISS & BREAST AGE >17 WITH CC	.6486	4.6	34

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NOTE: RELATIVE WEIGHTS ARE BASED ON MEDICARE PATIENT DATA AND MAY NOT BE APPROPRIATE FOR OTHER PATIENTS.

TABLE 5

LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM

				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
281	09	MED	TRAUMA TO THE SKIN, SUBCUT TISS & BREAST AGE >17 W/O CC	.4143	3.2	31
282	09	MED	TRAUMA TO THE SKIN, SUBCUT TISS & BREAST AGE 0-17	.3383	2.2	19
283	09	MED	MINOR SKIN DISORDERS WITH CC	.7389	5.4	34
284	09	MED	MINOR SKIN DISORDERS W/O CC	.4519	3.6	33
285	10	SURG	AMPUTAT OF LOWER LIMB FOR ENDOCRINE,NUTRIT,& METABOL DISORDERS	2.7352	15.4	44
286	10	SURG	ADRENAL & PITUITARY PROCEDURES	2.4737	10.1	39
287	10	SURG	SKIN GRAFTS & WOUND DEBRID FOR ENDOC, NUTRIT & METAB DISORDERS	2.2126	13.5	43
288	10	SURG	O.R. PROCEDURES FOR OBESITY	2.0695	7.5	37
289	10	SURG	PARATHYROID PROCEDURES	.9823	4.3	33
290	10	SURG	THYROID PROCEDURES	.7360	3.0	18
291	10	SURG	THYROGLOSSAL PROCEDURES	.4950	1.9	10
292	10	SURG	OTHER ENDOCRINE, NUTRIT & METAB O.R. PROC WITH CC	2.7812	12.0	41
293	10	SURG	OTHER ENDOCRINE, NUTRIT & METAB O.R. PROC W/O CC	1.0666	5.6	35
294	10	MED	DIABETES AGE >35	.7481	5.9	35
295	10	MED	DIABETES AGE 0-35	.7430	4.4	33
296	10	MED	NUTRITIONAL & MISC METABOLIC DISORDERS AGE >17 WITH CC	.9332	6.0	35
297	10	MED	NUTRITIONAL & MISC METABOLIC DISORDERS AGE >17 W/O CC	.5332	4.1	32
298	10	MED	NUTRITIONAL & MISC METABOLIC DISORDERS AGE 0-17	.4870	3.0	29
299	10	MED	INBORN ERRORS OF METABOLISM	.7861	4.6	34
300	10	MED	ENDOCRINE DISORDERS WITH CC	1.1127	7.1	36
301	10	MED	ENDOCRINE DISORDERS W/O CC	.6177	4.3	33
302	11	SURG	KIDNEY TRANSPLANT	3.7816	14.7	44
303	11	SURG	KIDNEY,URETER & MAJOR BLADDER PROCEDURES FOR NEOPLASM	2.6215	11.8	41
304	11	SURG	KIDNEY,URETER & MAJOR BLADDER PROC FOR NON-NEOPL WITH CC	2.3986	10.3	39
305	11	SURG	KIDNEY,URETER & MAJOR BLADDER PROC FOR NON-NEOPL W/O CC	1.2153	5.5	34
306	11	SURG	PROSTATECTOMY WITH CC	1.3154	7.2	36
307	11	SURG	PROSTATECTOMY W/O CC	.7317	4.2	24
308	11	SURG	MINOR BLADDER PROCEDURES WITH CC	1.4623	6.5	36
309	11	SURG	MINOR BLADDER PROCEDURES W/O CC	.7776	3.3	32
310	11	SURG	TRANSURETHRAL PROCEDURES WITH CC	.8687	4.1	33
311	11	SURG	TRANSURETHRAL PROCEDURES W/O CC	.5145	2.4	17
312	11	SURG	URETHRAL PROCEDURES, AGE >17 WITH CC	.7880	3.8	33
313	11	SURG	URETHRAL PROCEDURES, AGE >17 W/O CC	.4766	2.3	20
314	11	SURG	URETHRAL PROCEDURES, AGE 0-17	.4271	2.3	26
315	11	SURG	OTHER KIDNEY & URINARY TRACT O.R. PROCEDURES	2.1880	7.4	36

* MEDICARE DATA HAVE BEEN SUPPLEMENTED BY DATA FROM MARYLAND AND MICHIGAN FOR LOW VOLUME DRGS.

** DRGS 469 AND 470 CONTAIN CASES WHICH COULD NOT BE ASSIGNED TO VALID DRGS.

NOTE: GEOMETRIC MEAN IS USED ONLY TO DETERMINE PAYMENT FOR OUTLIER AND TRANSFER CASES.

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				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
316	11	MED	RENAL FAILURE	1.2615	6.4	35
317	11	MED	ADMIT FOR RENAL DIALYSIS	.3628	2.2	21
318	11	MED	KIDNEY & URINARY TRACT NEOPLASMS WITH CC	1.0833	6.1	35
319	11	MED	KIDNEY & URINARY TRACT NEOPLASMS W/O CC	.5562	2.8	32
320	11	MED	KIDNEY & URINARY TRACT INFECTIONS AGE >17 WITH CC	1.0009	6.7	36
321	11	MED	KIDNEY & URINARY TRACT INFECTIONS AGE >17 W/O CC	.6482	5.0	29
322	11	MED	KIDNEY & URINARY TRACT INFECTIONS AGE 0-17	.6531	4.4	31
323	11	MED	URINARY STONES WITH CC, &/OR ESW LITHOTRIPSY	.7465	2.9	32
324	11	MED	URINARY STONES W/O CC	.3907	2.2	15
325	11	MED	KIDNEY & URINARY TRACT SIGNS & SYMPTOMS AGE >17 WITH CC	.6642	4.4	33
326	11	MED	KIDNEY & URINARY TRACT SIGNS & SYMPTOMS AGE >17 W/O CC	.4275	3.0	25
327	11	MED	KIDNEY & URINARY TRACT SIGNS & SYMPTOMS AGE 0-17	.5444	3.1	32
328	11	MED	URETHRAL STRICTURE AGE >17 WITH CC	.6357	3.8	33
329	11	MED	URETHRAL STRICTURE AGE >17 W/O CC	.4178	2.3	18
330	11	MED	URETHRAL STRICTURE AGE 0-17	.2754	1.6	8
331	11	MED	OTHER KIDNEY & URINARY TRACT DIAGNOSES AGE >17 WITH CC	.9433	5.3	34
332	11	MED	OTHER KIDNEY & URINARY TRACT DIAGNOSES AGE >17 W/O CC	.5411	3.2	32
333	11	MED	OTHER KIDNEY & URINARY TRACT DIAGNOSES AGE 0-17	1.0602	5.1	34
334	12	SURG	MAJOR MALE PELVIC PROCEDURES W CC	1.7847	9.4	36
335	12	SURG	MAJOR MALE PELVIC PROCEDURES W/O CC	1.3331	7.9	22
336	12	SURG	TRANSURETHRAL PROSTATECTOMY WITH CC	.9269	5.3	28
337	12	SURG	TRANSURETHRAL PROSTATECTOMY W/O CC	.6293	3.9	13
338	12	SURG	TESTES PROCEDURES, FOR MALIGNANCY	.7614	3.0	32
339	12	SURG	TESTES PROCEDURES, NON-MALIGNANCY AGE >17	.5851	2.4	29
340	12	SURG	TESTES PROCEDURES, NON-MALIGNANCY AGE 0-17	.4283	2.4	13
341	12	SURG	PENIS PROCEDURES	.9799	3.5	28
342	12	SURG	CIRCUMCISION AGE >17	.4892	2.3	24
343	12	SURG	CIRCUMCISION AGE 0-17	.3742	1.7	6
344	12	SURG	OTHER MALE REPRODUCTIVE SYSTEM O.R. PROCEDURES FOR MALIGNANCY	1.0750	4.8	34
345	12	SURG	OTHER MALE REPRODUCTIVE SYSTEM O.R. PROC EXCEPT FOR MALIGNANCY	.7422	3.8	33
346	12	MED	MALIGNANCY, MALE REPRODUCTIVE SYSTEM, WITH CC	.9475	5.8	35
347	12	MED	MALIGNANCY, MALE REPRODUCTIVE SYSTEM, W/O CC	.4826	2.6	32
348	12	MED	BENIGN PROSTATIC HYPERTROPHY WITH CC	.6828	3.9	33
349	12	MED	BENIGN PROSTATIC HYPERTROPHY W/O CC	.3850	2.2	20
350	12	MED	INFLAMMATION OF THE MALE REPRODUCTIVE SYSTEM	.6610	4.9	29

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				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
351	12	MED	STERILIZATION, MALE	.3293	1.3	5
352	12	MED	OTHER MALE REPRODUCTIVE SYSTEM DIAGNOSES	.5146	3.0	30
353	13	SURG	PELVIC EVISCERATION, RADICAL HYSTERECTOMY & RADICAL VULVECTOMY	2.0923	10.9	40
354	13	SURG	**UTERINE,ADNEXA PROC FOR NON-OVARIAN/ADNEXAL MALIG WITH CC	1.3811	7.6	34
355	13	SURG	UTERINE,ADNEXA PROC FOR NON-OVARIAN/ADNEXAL MALIG W/O CC	.8614	5.4	14
356	13	SURG	FEMALE REPRODUCTIVE SYSTEM RECONSTRUCTIVE PROCEDURES	.7143	4.4	18
357	13	SURG	UTERINE & ADNEXA PROC FOR OVARIAN OR ADNEXAL MALIG	2.2045	10.5	40
358	13	SURG	UTERINE & ADNEXA PROC FOR NON-MALIGNANCY WITH CC	1.1455	6.5	28
359	13	SURG	UTERINE & ADNEXA PROC FOR NON-MALIGNANCY W/O CC	.7849	4.9	13
360	13	SURG	VAGINA, CERVIX & VULVA PROCEDURES	.6074	3.8	33
361	13	SURG	LAPAROSCOPY & INCISIONAL TUBAL INTERRUPTION	.7933	3.1	32
362	13	SURG	ENDOSCOPIC TUBAL INTERRUPTION	.5135	2.2	29
363	13	SURG	D&C, CONIZATION & RADIO-IMPLANT, FOR MALIGNANCY	.6396	3.3	29
364	13	SURG	D&C, CONIZATION EXCEPT FOR MALIGNANCY	.4870	2.4	24
365	13	SURG	OTHER FEMALE REPRODUCTIVE SYSTEM O.R. PROCEDURES	1.7410	7.8	37
366	13	MED	MALIGNANCY, FEMALE REPRODUCTIVE SYSTEM WITH CC	1.1811	6.6	36
367	13	MED	MALIGNANCY, FEMALE REPRODUCTIVE SYSTEM W/O CC	.4802	2.8	32
368	13	MED	INFECTIONS, FEMALE REPRODUCTIVE SYSTEM	.6596	6.0	35
369	13	MED	MENSTRUAL & OTHER FEMALE REPRODUCTIVE SYSTEM DISORDERS	.5171	3.3	32
370	14	SURG	CESAREAN SECTION W CC	.9321	6.0	33
371	14	SURG	CESAREAN SECTION W/O CC	.6253	4.2	11
372	14	MED	VAGINAL DELIVERY W COMPLICATING DIAGNOSES	.4520	3.0	18
373	14	MED	VAGINAL DELIVERY W/O COMPLICATING DIAGNOSES	.2958	2.1	8
374	14	SURG	VAGINAL DELIVERY W STERILIZATION &/OR D&C	.5172	2.7	12
375	14	SURG	VAGINAL DELIVERY W O.R. PROC EXCEPT STERIL &/OR D&C	.6735	4.4	29
376	14	MED	POSTPARTUM & POST ABORTION DIAGNOSES W/O O.R. PROCEDURE	.3663	2.6	24
377	14	SURG	POSTPARTUM & POST ABORTION DIAGNOSES W O.R. PROCEDURE	.6878	2.9	32
378	14	MED	ECTOPIC PREGNANCY	.6708	3.5	16
379	14	MED	THREATENED ABORTION	.2679	2.1	18
380	14	MED	ABORTION W/O D&C	.2857	1.9	12
381	14	SURG	ABORTION W D&C, ASPIRATION CURETTAGE OR HYSTEROTOMY	.3680	1.5	9
382	14	MED	FALSE LABOR	.1256	1.2	4
383	14	MED	OTHER ANTEPARTUM DIAGNOSES W MEDICAL COMPLICATIONS	.3853	3.4	32
384	14	MED	OTHER ANTEPARTUM DIAGNOSES W/O MEDICAL COMPLICATIONS	.2700	2.2	22
385	15		NEONATES, DIED OR TRANSFERRED TO ANOTHER ACUTE CARE FACILITY	1.2084	1.8	31

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				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
386	15		EXTREME IMMATURITY OR RESPIRATORY DISTRESS SYNDROME, NEONATE	3.6039	17.9	47
387	15		PREMATURITY W MAJOR PROBLEMS	1.8046	13.3	42
388	15		PREMATURITY W/O MAJOR PROBLEMS	1.1431	8.6	38
389	15	**	FULL TERM NEONATE W MAJOR PROBLEMS	1.3550	5.3	34
390	15		NEONATE W OTHER SIGNIFICANT PROBLEMS	.9093	4.2	33
391	15		NORMAL NEWBORN	.2191	3.1	11
392	16	SURG	SPLENECTOMY AGE >17	3.2395	12.1	41
393	16	SURG	SPLENECTOMY AGE 0-17	1.5022	9.1	38
394	16	SURG	OTHER O.R. PROCEDURES OF THE BLOOD AND BLOOD FORMING ORGANS	1.5373	5.6	35
395	16	MED	RED BLOOD CELL DISORDERS AGE >17	.7456	4.6	34
396	16	MED	RED BLOOD CELL DISORDERS AGE 0-17	.3848	2.3	24
397	16	MED	COAGULATION DISORDERS	1.1571	5.5	35
398	16	MED	RETICULOENDOTHELIAL & IMMUNITY DISORDERS WITH CC	1.1715	6.5	35
399	16	MED	RETICULOENDOTHELIAL & IMMUNITY DISORDERS W/O CC	.6558	3.9	33
400	17	SURG	LYMPHOMA & LEUKEMIA W MAJOR O.R. PROCEDURE	2.6796	10.0	39
401	17	SURG	LYMPHOMA & NON-ACUTE LEUKEMIA W OTHER O.R. PROC W CC	2.1741	10.1	39
402	17	SURG	LYMPHOMA & NON-ACUTE LEUKEMIA W OTHER O.R. PROC W/O CC	.8836	3.9	33
403	17	MED	LYMPHOMA & NON-ACUTE LEUKEMIA W CC	1.5930	8.2	37
404	17	MED	LYMPHOMA & NON-ACUTE LEUKEMIA W/O CC	.7472	4.3	33
405	17		ACUTE LEUKEMIA W/O MAJOR O.R. PROCEDURE AGE 0-17	1.0281	4.9	34
406	17	SURG	MYELOPROLIF DISORD OR POORLY DIFF NEOPL W MAJ O.R.PROC W CC	2.6883	11.4	40
407	17	SURG	MYELOPROLIF DISORD OR POORLY DIFF NEOPL W MAJ O.R.PROC W/O CC	1.2373	6.0	35
408	17	SURG	MYELOPROLIF DISORD OR POORLY DIFF NEOPL W OTHER O.R.PROC	1.0409	4.2	33
409	17	MED	RADIOTHERAPY	1.0148	6.7	36
410	17	MED	CHEMOTHERAPY	.5105	2.7	19
411	17	MED	HISTORY OF MALIGNANCY W/O ENDOSCOPY	.4305	2.5	28
412	17	MED	HISTORY OF MALIGNANCY W ENDOSCOPY	.4055	2.2	21
413	17	MED	OTHER MYELOPROLIF DIS OR POORLY DIFF NEOPL DIAG WITH CC	1.3034	7.4	36
414	17	MED	OTHER MYELOPROLIF DIS OR POORLY DIFF NEOPL DIAG W/O CC	.7042	4.4	33
415	18	SURG	O.R. PROCEDURE FOR INFECTIOUS & PARASITIC DISEASES	3.5406	14.8	44
416	18	MED	SEPTECEMIA AGE >17	1.5242	7.5	37
417	18	MED	SEPTECEMIA AGE 0-17	1.1753	5.7	35
418	18	MED	POSTOPERATIVE & POST-TRAUMATIC INFECTIONS	.9785	6.7	36
419	18	MED	FEVER OF UNKNOWN ORIGIN AGE >17 WITH CC	.9475	5.9	35
420	18	MED	FEVER OF UNKNOWN ORIGIN AGE >17 W/O CC	.6571	4.5	31

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				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
421	18	MED	VIRAL ILLNESS AGE >17	.6453	4.3	32
422	18	MED	VIRAL ILLNESS & FEVER OF UNKNOWN ORIGIN AGE 0-17	.7528	3.7	33
423	18	MED	OTHER INFECTIOUS & PARASITIC DISEASES DIAGNOSES	1.5858	8.0	37
424	19	SURG	O.R. PROCEDURE W PRINCIPAL DIAGNOSES OF MENTAL ILLNESS	2.3413	13.2	42
425	19	MED	ACUTE ADJUST REACT & DISTURBANCES OF PSYCHOSOCIAL DYSFUNCTION	.6843	4.8	34
426	19	MED	DEPRESSIVE NEUROSES	.6281	5.7	35
427	19	MED	NEUROSES EXCEPT DEPRESSIVE	.6312	5.5	35
428	19	MED	DISORDERS OF PERSONALITY & IMPULSE CONTROL	.7013	6.4	35
429	19	MED	ORGANIC DISTURBANCES & MENTAL RETARDATION	.9139	7.6	37
430	19	MED	PSYCHOSES	.9024	8.9	38
431	19	MED	CHILDHOOD MENTAL DISORDERS	.6157	5.3	34
432	19	MED	OTHER MENTAL DISORDER DIAGNOSES	.7189	4.2	33
433	20		ALCOHOL/DRUG ABUSE OR DEPENDENCE, LEFT AMA	.3830	3.1	32
434	20		ALC/DRUG ABUSE OR DEPENDENCE, DETOX OR OTHER SYMPT TRT WITH CC	.8827	7.0	36
435	20		ALC/DRUG ABUSE OR DEPENDENCE, DETOX OR OTHER SYMPT TRT W/O CC	.7164	7.0	36
436	20		ALC/DRUG DEPENDENCE W REHABILITATION THERAPY	.9873	8.1	37
437	20		ALC/DRUG DEPENDENCE, COMBINED REHAB & DETOX THERAPY	1.2005	3.5	33
438	20		NO LONGER VALID	.0000	.0	0
439	21	SURG	SKIN GRAFTS FOR INJURIES	1.6450	7.2	36
440	21	SURG	WOUND DEBRIDEMENTS FOR INJURIES	2.4838	10.8	40
441	21	SURG	HAND PROCEDURES FOR INJURIES	.7007	2.5	30
442	21	SURG	OTHER O.R. PROCEDURES FOR INJURIES WITH CC	1.8353	5.5	35
443	21	SURG	OTHER O.R. PROCEDURES FOR INJURIES W/O CC	1.1450	4.0	33
444		MED	TRAUMATIC INJURY AGE > 17 W CC	.7481	5.1	34
445		MED	TRAUMATIC INJURY AGE > 17 W/O CC	.4883	3.6	32
446		MED	TRAUMATIC INJURY AGE 0-17	.4738	2.4	22
447	21	MED	ALLERGIC REACTIONS AGE >17	.4797	2.6	24
448	21	MED	ALLERGIC REACTIONS AGE 0-17	.3428	2.9	17
449	21	MED	POISONING & TOXIC EFFECTS OF DRUGS AGE >17 WITH CC	.7889	4.3	33
450	21	MED	POISONING & TOXIC EFFECTS OF DRUGS AGE >17 W/O CC	.4461	2.8	25
451	21	MED	POISONING & TOXIC EFFECTS OF DRUGS AGE 0-17	.5506	4.1	33
452	21	MED	COMPLICATIONS OF TREATMENT WITH CC	.9272	4.7	34
453	21	MED	COMPLICATIONS OF TREATMENT W/O CC	.4769	3.1	32
454	21	MED	OTHER INJURY, POISONING & TOXIC EFF DIAG WITH CC	.9444	4.5	34
455	21	MED	OTHER INJURY, POISONING & TOXIC EFF DIAG W/O CC	.4254	2.6	25

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				RELATIVE WEIGHTS	GEOMETRIC MEAN LOS	OUTLIER THRESHOLD
456	22		BURNS, TRANSFERRED TO ANOTHER ACUTE CARE FACILITY	1.5005	4.1	33
457	22	MED	EXTENSIVE BURNS W/O O.R. PROCEDURE	2.1333	2.8	32
458	22	SURG	NON-EXTENSIVE BURNS W SKIN GRAFT	3.7460	15.7	45
459	22	SURG	NON-EXTENSIVE BURNS W WOUND DEBRIDEMENT OR OTHER O.R. PROC	2.0623	10.8	40
460	22	MED	NON-EXTENSIVE BURNS W/O O.R. PROCEDURE	1.0568	6.4	35
461	23	SURG	O.R. PROC W DIAGNOSES OF OTHER CONTACT W HEALTH SERVICES	.7682	2.4	31
462	23	MED	REHABILITATION	1.8295	14.0	43
463	23	MED	SIGNS & SYMPTOMS W CC	.7416	5.1	34
464	23	MED	SIGNS & SYMPTOMS W/O CC	.4679	3.3	30
465	23	MED	AFTERCARE W HISTORY OF MALIGNANCY AS SECONDARY DIAGNOSIS	.4004	1.9	21
466	23	MED	AFTERCARE W/O HISTORY OF MALIGNANCY AS SECONDARY DIAGNOSIS	.5722	2.5	32
467	23	MED	OTHER FACTORS INFLUENCING HEALTH STATUS	.4227	2.5	31
468			EXTENSIVE O.R. PROCEDURE UNRELATED TO PRINCIPAL DIAGNOSIS	3.3489	13.2	42
469		**	PRINCIPAL DIAGNOSIS INVALID AS DISCHARGE DIAGNOSIS	.0000	.0	0
470		**	UNGROUPABLE	.0000	.0	0
471	08	SURG	BILATERAL OR MULTIPLE MAJOR JOINT PROCS OF LOWER EXTREMITY	3.9166	14.0	43
472	22	SURG	EXTENSIVE BURNS W O.R. PROCEDURE	11.4584	20.8	50
473	17		ACUTE LEUKEMIA W/O MAJOR O.R. PROCEDURE AGE >17	3.2511	9.8	39
474	04		NO LONGER VALID	.0000	.0	0
475	04	MED	RESPIRATORY SYSTEM DIAGNOSIS WITH VENTILATOR SUPPORT	3.5353	9.7	39
476			PROSTATIC O.R. PROCEDURE UNRELATED TO PRINCIPAL DIAGNOSIS	2.1794	14.4	43
477			NON-EXTENSIVE O.R. PROCEDURE UNRELATED TO PRINCIPAL DIAGNOSIS	1.4600	6.4	35
478	05	SURG	OTHER VASCULAR PROCEDURES W CC	2.8383	12.2	41
479	05	SURG	OTHER VASCULAR PROCEDURES W/O CC	1.5579	7.3	32
480		SURG	LIVER TRANSPLANT	13.8865	25.1	54
481		SURG	BONE MARROW TRANSPLANT	11.9901	32.8	62
482		SURG	TRACHEOSTOMY W MOUTH, LARYNX OR PHARYNX DISORDER	3.0332	12.8	42
483		SURG	TRACHEOSTOMY EXCEPT FOR MOUTH, LARYNX OR PHARYNX DISORDER	13.8084	39.2	68
484	24	SURG	CRANIOTOMY FOR MULTIPLE SIGNIFICANT TRAUMA	6.6709	13.3	42
485	24	SURG	HIP, FEMUR AND LIMB REATTACH PROCS FOR MULTI SIGN TRAUMA	3.1524	14.4	43
486	24	SURG	OTHER O.R. PROCEDURES FOR MULTIPLE SIGNIFICANT TRAUMA	4.7857	12.4	41
487	24	MED	OTHER MULTIPLE SIGNIFICANT TRAUMA	1.7481	7.6	37
488	25	SURG	HIV W EXTENSIVE O.R. PROCEDURE	3.8391	18.4	47
489	25	MED	HIV W MAJOR RELATED CONDITION	1.9619	9.5	39
490	25	MED	HIV W OR W/O OTHER RELATED CONDITION	1.1712	5.6	35

* MEDICARE DATA HAVE BEEN SUPPLEMENTED BY DATA FROM MARYLAND AND MICHIGAN FOR LOW VOLUME DRGS.
** DRGS 469 AND 470 CONTAIN CASES WHICH COULD NOT BE ASSIGNED TO VALID DRGS.
NOTE: GEOMETRIC MEAN IS USED ONLY TO DETERMINE PAYMENT FOR OUTLIER AND TRANSFER CASES.
NOTE: RELATIVE WEIGHTS ARE BASED ON MEDICARE PATIENT DATA AND MAY NOT BE APPROPRIATE FOR OTHER PATIENTS.

BILLING CODE 4120-03-C

TABLE 6a.—NEW DIAGNOSIS CODES

Diagnosis code	Description	MDC	DRG	CC
237.70	Neurofibromatosis, unspecified	1	34,35	N
237.71	Neurofibromatosis, Type I [Von Recklinghausen's disease]	1	34,35	N
237.72	Neurofibromatosis, Type 2 [acoustic neurofibromatosis]	1	34,35	N
374.87	Dermatochalasis	2	46, 47, 48	N
446.20	Hypersensitivity angiitis, unspecified	8	240, 241	Y
446.21	Goodpasture's syndrome	8	240, 241	Y
446.29	Other specified hypersensitivity angiitis	8	240, 241	Y
537.82	Angiodysplasia of stomach and duodenum	6	182, 183, 184	N
569.84	Angiodysplasia	6	188, 189, 190	N
753.10	Cystic kidney disease, unspecified	11	331, 332, 333	N
753.11	Congenital single renalyst	11	331, 332, 333	N
753.12	Polycystic kidney, unspecified type	11	331, 332	N
753.13	Polycystic kidney, autosomal dominant	11	331, 332, 333	N
753.14	Polycystic kidney, autosomal recessive	11	331, 332, 333	N
753.15	Renal dysplasia	11	331, 332, 333	N
753.16	Medullary cystic kidney	11	331, 332, 333	N
753.17	Medullary sponge kidney	11	331, 332, 333	N
753.19	Other specified cystic kidney disease	11	331, 332, 333	N
996.85	Complications of bone marrow transplant	16	398, 399	Y

TABLE 6b.—NEW PROCEDURE CODES

Procedure code	Description	OR	MDC	DRG
33.6	Combined heart-lung transplantation [1]	Y	5	103
39.66	Percutaneous cardiopulmonary bypass	N		
58.31	Endoscopic excision or destruction of lesion or tissue of urethra	N		
58.39	Other local excision or destruction of lesion or tissue of urethra	N		
86.07	Insertion of totally implantable vascular access device [VAD]	N	9	269,270

[1] This procedure code is not currently covered under Medicare. MDC and DRG assignment would change if the procedure is eventually covered for diagnoses outside MDC 5.

TABLE 6c.—INVALID DIAGNOSIS CODES (4 DIGIT) [1]

Diagnosis code	Description	MDC	DRG	CC
237.7	Neurofibromatosis	1	34, 35	N
446.2	Hypersensitivity angiitis	8	240, 241	Y
753.1	Cystic kidney disease	11	331, 332, 333	N

[1] See Table 6a for New Diagnosis Codes (5 digits) that will be considered valid by the 1991 GROUPER.

TABLE 6d.—INVALID PROCEDURE CODE [1]

Procedure code	Description	OR
58.3	Excision or destruction of urethral tissue or lesion.	N

[1] See table 6b for New Procedure Codes (4 digit) that will be considered valid by the FY 1991 GROUPER.

Table 6e—Additions to the CC Exclusions List

CCs that are added to the list are in table 6e—Additions to the CC Exclusions List. Each of the principal diagnoses is shown with an asterisk, and the revisions to the CC Exclusions List are provided in an indented column immediately following the affected principal diagnosis.

BILLING CODE 4120-03-M

*00321	*0721	11282	44621	53431	01304	4467	53171
3570	3570	11283	44629	53440	01305	*44621	53191
*01300	*09042	*11282	*2515	53441	01306	4460	53200
3570	3570	1120	4560	53450	01310	44620	53201
*01301	*09181	1124	5307	53451	01311	44621	53210
3570	3570	1125	53100	53460	01312	44629	63211
*01302	*0942	11281	53101	53461	01313	4463	53220
3570	3570	11283	53110	53471	01314	4464	53221
*01303	*09889	*11283	53111	53491	01315	4465	53231
3570	3570	1120	53120	5693	01316	4466	53240
*01304	*10081	1124	53121	5780	0360	4467	53241
3570	3570	1125	53131	5781	0530	*44629	53250
*01305	*1120	11281	53140	5789	05472	4460	53251
3570	1120	11282	53141	*3200	0721	44620	53260
*01306	1124	3570	53150	3570	09042	44621	53261
3570	1125	*11289	53151	*3201	0942	44629	53271
*01310	11281	1120	53160	3570	11283	4463	53291
3570	11282	*1129	53161	*3202	1142	4464	53300
*01311	11283	1120	53171	3570	11501	4465	53301
3570	*1121	*1142	53191	*3203	11511	4466	53310
*01312	1120	3570	53200	3570	11591	4467	53311
3570	1124	*11501	53201	*3207	3200	*4463	53320
*01313	1125	3570	53210	3570	3201	44620	53321
3570	11281	*11511	53211	*3208	3202	44621	53331
*01314	11282	3570	53220	3570	3203	44629	53340
3570	11283	*11591	53221	*3209	3207	*4464	53341
*01315	*1122	3570	53231	3570	3208	44620	53350
3570	1120	*1179	53240	*3210	3209	44621	53351
*01316	1124	1120	53241	3570	3210	44629	53360
3570	1125	*1300	53250	*3211	3211	*4465	53361
*0360	11281	3570	53251	3570	3212	44620	53371
3570	11282	*1398	53260	*3212	3213	44621	53391
*03689	11283	1120	53261	3570	3214	44629	53400
3570	*1123	3570	53271	*3213	3218	*4466	53401
*0369	1120	*25070	53291	3570	3220	44620	53410
3570	1124	44620	53300	*3214	3221	44621	53411
*0418	1125	44621	53301	3570	3222	44629	53420
3570	11281	44629	53310	*3218	3229	*4467	53421
*0419	11282	*25071	53311	3570	3570	44620	53431
3570	11283	44620	53320	*3220	*4460	44621	53440
*0470	*1124	44621	53321	3570	44620	44629	53441
3570	1120	44629	53331	*3221	44621	*4560	53450
*0471	1125	*25080	53340	3570	44629	5307	53451
3570	11281	44620	53341	*3222	*4461	53100	53460
*0478	11282	44621	53350	3570	44620	53101	53461
3570	11283	44629	53351	*3229	44621	53110	53471
*0479	*1125	*25081	53360	3570	44629	53111	53491
3570	1120	44620	53361	*34989	*44620	53120	5693
*0490	1124	44621	53371	3570	4460	53121	5780
3570	11281	44629	53391	*3499	44620	53131	5781
*0491	11282	*25090	53400	3570	44621	53140	5789
3570	11283	44620	53401	*3570	44629	53141	*45989
*0530	*11281	44621	53410	01300	4463	53150	44620
3570	1120	44629	53411	01301	4464	53151	44621
*05472	1124	*25091	53420	01302	4465	53160	44629
3570	1125	44620	53421	01303	4466	53161	*4599

44620	53421	53351	53391	53411	53440	53460	5693
44621	53431	53360	53400	53420	53441	53461	5780
44629	53440	53361	53401	53421	53450	53471	5781
*5302	53441	53371	53410	53431	53451	53491	5789
4560	53450	53391	53411	53440	53460	5693	*53121
5307	53451	53400	53420	53441	53461	5780	4560
53100	53460	53401	53421	53450	53471	5781	5307
53101	53461	53410	53431	53451	53491	5789	53200
53110	53471	53411	53440	53460	5693	*53120	53201
53111	53491	53420	53441	53461	5780	4560	53210
53120	5693	53421	53450	53471	5781	5307	53211
53121	5780	53431	53451	53491	5789	53200	53220
53131	5781	53440	53460	5693	*53111	53201	53221
53140	5789	53441	53461	5780	4560	53210	53231
53141	*5307	53450	53471	5781	5307	53211	53240
53150	4560	53451	53491	5789	53200	53220	53241
53151	53100	53460	5693	*53110	53201	53221	53250
53160	53101	53461	5780	4560	53210	53231	53251
53161	53110	53471	5781	5307	53211	53240	53260
53171	53111	53491	5789	53200	53220	53241	53261
53191	53120	5693	*53101	53201	53221	53250	53271
53200	53121	5780	4560	53210	53231	53251	53291
53201	53131	5781	5307	53211	53240	53260	53300
53210	53140	5789	53200	53220	53241	53261	53301
53211	53141	*53100	53201	53221	53250	53271	53310
53220	53150	4560	53210	53231	53251	53291	53311
53221	53151	5307	53211	53240	53260	53300	53320
53231	53160	53200	53220	53241	53261	53301	53321
53240	53161	53201	53221	53250	53271	53310	53331
53241	53171	53210	53231	53251	53291	53311	53340
53250	53191	53211	53240	53260	53300	53320	53341
53251	53200	53220	53241	53261	53301	53321	53350
53260	53201	53221	53250	53271	53310	53331	53351
53261	53210	53231	53251	53291	53311	53340	53360
53271	53211	53240	53260	53300	53320	53341	53361
53291	53220	53241	53261	53301	53321	53350	53371
53300	53221	53250	53271	53310	53331	53351	53391
53301	53231	53251	53291	53311	53340	53360	53400
53310	53240	53260	53300	53320	53341	53361	53401
53311	53241	53261	53301	53321	53350	53371	53410
53320	53250	53271	53310	53331	53351	53391	53411
53321	53251	53291	53311	53340	53360	53400	53420
53331	53260	53300	53320	53341	53361	53401	53421
53340	53261	53301	53321	53350	53371	53410	53431
53341	53271	53310	53331	53351	53391	53411	53440
53350	53291	53311	53340	53360	53400	53420	53441
53351	53300	53320	53341	53361	53401	53421	53450
53360	53301	53321	53350	53371	53410	53431	53451
53361	53310	53331	53351	53391	53411	53440	53460
53371	53311	53340	53360	53400	53420	53441	53461
53391	53320	53341	53361	53401	53421	53450	53471
53400	53321	53350	53371	53410	53431	53451	53491
53401	53331	53351	53391	53411	53440	53460	5693
53410	53340	53360	53400	53420	53441	53461	5780
53411	53341	53361	53401	53421	53450	53471	5781
53420	53350	53371	53410	53431	53451	53491	5789

*53130	53201	53221	53250	53271	53310	53331	53351
4560	53210	53231	53251	53291	53311	53340	53360
5307	53211	53240	53260	53300	53320	53341	53361
53200	53220	53241	53261	53301	53321	53350	53371
53201	53221	53250	53271	53310	53331	53351	53391
53210	53231	53251	53291	53311	53340	53360	53400
53211	53240	53260	53300	53320	53341	53361	53401
53220	53241	53261	53301	53321	53350	53371	53410
53221	53250	53271	53310	53331	53351	53391	53411
53231	53251	53291	53311	53340	53360	53400	53420
53240	53260	53300	53320	53341	53361	53401	53421
53241	53261	53301	53321	53350	53371	53410	53431
53250	53271	53310	53331	53351	53391	53411	53440
53251	53291	53311	53340	53360	53400	53420	53441
53260	53300	53320	53341	53361	53401	53421	53450
53261	53301	53321	53350	53371	53410	53431	53451
53271	53310	53331	53351	53391	53411	53440	53460
53291	53311	53340	53360	53400	53420	53441	53461
53300	53320	53341	53361	53401	53421	53450	53471
53301	53321	53350	53371	53410	53431	53451	53491
53310	53331	53351	53391	53411	53440	53460	5693
53311	53340	53360	53400	53420	53441	53461	5780
53320	53341	53361	53401	53421	53450	53471	5781
53321	53350	53371	53410	53431	53451	53491	5789
53331	53351	53391	53411	53440	53460	5693	*53170
53340	53360	53400	53420	53441	53461	5780	4560
53341	53361	53401	53421	53450	53471	5781	5307
53350	53371	53410	53431	53451	53491	5789	53200
53351	53391	53411	53440	53460	5693	*53161	53201
53360	53400	53420	53441	53461	5780	4560	53210
53361	53401	53421	53450	53471	5781	5307	53211
53371	53410	53431	53451	53491	5789	53200	53220
53391	53411	53440	53460	5693	*53160	53201	53221
53400	53420	53441	53461	5780	4560	53210	53231
53401	53421	53450	53471	5781	5307	53211	53240
53410	53431	53451	53491	5789	53200	53220	53241
53411	53440	53460	5693	*53151	53201	53221	53250
53420	53441	53461	5780	4560	53210	53231	53251
53421	53450	53471	5781	5307	53211	53240	53260
53431	53451	53491	5789	53200	53220	53241	53261
53440	53460	5693	*53150	53201	53221	53250	53271
53441	53461	5780	4560	53210	53231	53251	53291
53450	53471	5781	5307	53211	53240	53260	53300
53451	53491	5789	53200	53220	53241	53261	53301
53460	5693	*53141	53201	53221	53250	53271	53310
53461	5780	4560	53210	53231	53251	53291	53311
53471	5781	5307	53211	53240	53260	53300	53320
53491	5789	53200	53220	53241	53261	53301	53321
5693	*53140	53201	53221	53250	53271	53310	53331
5780	4560	53210	53231	53251	53291	53311	53340
5781	5307	53211	53240	53260	53300	53320	53341
5789	53200	53220	53241	53261	53301	53321	53350
*53131	53201	53221	53250	53271	53310	53331	53351
4560	53210	53231	53251	53291	53311	53340	53360
5307	53211	53240	53260	53300	53320	53341	53361
53200	53220	53241	53261	53301	53321	53350	53371

53391	53411	53440	53460	5693	*53210	53101	53121
53400	53420	53441	53461	5780	4560	53110	53131
53401	53421	53450	53471	5781	5307	53111	53140
53410	53431	53451	53491	5789	53100	53120	53141
53411	53440	53460	5693	*53201	53101	53121	53150
53420	53441	53461	5780	4560	53110	53131	53151
53421	53450	53471	5781	5307	53111	53140	53160
53431	53451	53491	5789	53100	53120	53141	53161
53440	53460	5693	*53200	53101	53121	53150	53171
53441	53461	5780	4560	53110	53131	53151	53191
53450	53471	5781	5307	53111	53140	53160	53300
53451	53491	5789	53100	53120	53141	53161	53301
53460	5693	*53191	53101	53121	53150	53171	53310
53461	5780	4560	53110	53131	53151	53191	53311
53471	5781	5307	53111	53140	53160	53300	53320
53491	5789	53200	53120	53141	53161	53301	53321
5693	*53190	53201	53121	53150	53171	53310	53331
5780	4560	53210	53131	53151	53191	53311	53340
5781	5307	53211	53140	53160	53300	53320	53341
5789	53200	53220	53141	53161	53301	53321	53350
*53171	53201	53221	53150	53171	53310	53331	53351
4560	53210	53231	53151	53191	53311	53340	53360
5307	53211	53240	53160	53300	53320	53341	53361
53200	53220	53241	53161	53301	53321	53350	53371
53201	53221	53250	53171	53310	53331	53351	53391
53210	53231	53251	53191	53311	53340	53360	53400
53211	53240	53260	53300	53320	53341	53361	53401
53220	53241	53261	53301	53321	53350	53371	53410
53221	53250	53271	53310	53331	53351	53391	53411
53231	53251	53291	53311	53340	53360	53400	53420
53240	53260	53300	53320	53341	53361	53401	53421
53241	53261	53301	53321	53350	53371	53410	53431
53250	53271	53310	53331	53351	53391	53411	53440
53251	53291	53311	53340	53360	53400	53420	53441
53260	53300	53320	53341	53361	53401	53421	53450
53261	53301	53321	53350	53371	53410	53431	53451
53271	53310	53331	53351	53391	53411	53440	53460
53291	53311	53340	53360	53400	53420	53441	53461
53300	53320	53341	53361	53401	53421	53450	53471
53301	53321	53350	53371	53410	53431	53451	53491
53310	53331	53351	53391	53411	53440	53460	5693
53311	53340	53360	53400	53420	53441	53461	5780
53320	53341	53361	53401	53421	53450	53471	5781
53321	53350	53371	53410	53431	53451	53491	5789
53331	53351	53391	53411	53440	53460	5693	*53221
53340	53360	53400	53420	53441	53461	5780	4560
53341	53361	53401	53421	53450	53471	5781	5307
53350	53371	53410	53431	53451	53491	5789	53100
53351	53391	53411	53440	53460	5693	*53220	53101
53360	53400	53420	53441	53461	5780	4560	53110
53361	53401	53421	53450	53471	5781	5307	53111
53371	53410	53431	53451	53491	5789	53100	53120
53391	53411	53440	53460	5693	*53211	53101	53121
53400	53420	53441	53461	5780	4560	53110	53131
53401	53421	53450	53471	5781	5307	53111	53140
53410	53431	53451	53491	5789	53100	53120	53141

53150	53171	53310	53331	53351	53391	53411	53440
53151	53191	53311	53340	53360	53400	53420	53441
53160	53300	53320	53341	53361	53401	53421	53450
53161	53301	53321	53350	53371	53410	53431	53451
53171	53310	53331	53351	53391	53411	53440	53460
53191	53311	53340	53360	53400	53420	53441	53461
53300	53320	53341	53361	53401	53421	53450	53471
53301	53321	53350	53371	53410	53431	53451	53491
53310	53331	53351	53391	53411	53440	53460	5693
53311	53340	53360	53400	53420	53441	53461	5780
53320	53341	53361	53401	53421	53450	53471	5781
53321	53350	53371	53410	53431	53451	53491	5789
53331	53351	53391	53411	53440	53460	5693	*53261
53340	53360	53400	53420	53441	53461	5780	4560
53341	53361	53401	53421	53450	53471	5781	5307
53350	53371	53410	53431	53451	53491	5789	53100
53351	53391	53411	53440	53460	5693	*53260	53101
53360	53400	53420	53441	53461	5780	4560	53110
53361	53401	53421	53450	53471	5781	5307	53111
53371	53410	53431	53451	53491	5789	53100	53120
53391	53411	53440	53460	5693	*53251	53101	53121
53400	53420	53441	53461	5780	4560	53110	53131
53401	53421	53450	53471	5781	5307	53111	53140
53410	53431	53451	53491	5789	53100	53120	53141
53411	53440	53460	5693	*53250	53101	53121	53150
53420	53441	53461	5780	4560	53110	53131	53151
53421	53450	53471	5781	5307	53111	53140	53160
53431	53451	53491	5789	53100	53120	53141	53161
53440	53460	5693	*53241	53101	53121	53150	53171
53441	53461	5780	4560	53110	53131	53151	53191
53450	53471	5781	5307	53111	53140	53160	53300
53451	53491	5789	53100	53120	53141	53161	53301
53460	5693	*53240	53101	53121	53150	53171	53310
53461	5780	4560	53110	53131	53151	53191	53311
53471	5781	5307	53111	53140	53160	53300	53320
53491	5789	53100	53120	53141	53161	53301	53321
5693	*53231	53101	53121	53150	53171	53310	53331
5780	4560	53110	53131	53151	53191	53311	53340
5781	5307	53111	53140	53160	53300	53320	53341
5789	53100	53120	53141	53161	53301	53321	53350
*53230	53101	53121	53150	53171	53310	53331	53351
4560	53110	53131	53151	53191	53311	53340	53360
5307	53111	53140	53160	53300	53320	53341	53361
53100	53120	53141	53161	53301	53321	53350	53371
53101	53121	53150	53171	53310	53331	53351	53391
53110	53131	53151	53191	53311	53340	53360	53400
53111	53140	53160	53300	53320	53341	53361	53401
53120	53141	53161	53301	53321	53350	53371	53410
53121	53150	53171	53310	53331	53351	53391	53411
53131	53151	53191	53311	53340	53360	53400	53420
53140	53160	53300	53320	53341	53361	53401	53421
53141	53161	53301	53321	53350	53371	53410	53431
53150	53171	53310	53331	53351	53391	53411	53440
53151	53191	53311	53340	53360	53400	53420	53441
53160	53300	53320	53341	53361	53401	53421	53450
53161	53301	53321	53350	53371	53410	53431	53451

53460	5693	*53290	53101	53421	5781	53440	*53340
53461	5780	4560	53110	53431	5789	53441	4560
53471	5781	5307	53111	53440	*53311	53450	5307
53491	5789	53100	53120	53441	4560	53451	53400
5693	*53271	53101	53121	53450	5307	53460	53401
5780	4560	53110	53131	53451	53400	53461	53410
5781	5307	53111	53140	53460	53401	53471	53411
5789	53100	53120	53141	53461	53410	53491	53420
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4560	53110	53131	53151	53491	53420	5780	53431
5307	53111	53140	53160	5693	53421	5781	53440
53100	53120	53141	53161	5780	53431	5789	53441
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53110	53131	53151	53191	5789	53441	4560	53451
53111	53140	53160	53300	*53301	53450	5307	53460
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53121	53150	53171	53310	5307	53460	53401	53471
53131	53151	53191	53311	53400	53461	53410	53491
53140	53160	53300	53320	53401	53471	53411	5693
53141	53161	53301	53321	53410	53491	53420	5780
53150	53171	53310	53331	53411	5693	53421	5781
53151	53191	53311	53340	53420	5780	53431	5789
53160	53300	53320	53341	53421	5781	53440	*53341
53161	53301	53321	53350	53431	5789	53441	4560
53171	53310	53331	53351	53440	*53320	53450	5307
53191	53311	53340	53360	53441	4560	53451	53400
53300	53320	53341	53361	53450	5307	53460	53401
53301	53321	53350	53371	53451	53400	53461	53410
53310	53331	53351	53391	53460	53401	53471	53411
53311	53340	53360	53400	53461	53410	53491	53420
53320	53341	53361	53401	53471	53411	5693	53421
53321	53350	53371	53410	53491	53420	5780	53431
53331	53351	53391	53411	5693	53421	5781	53440
53340	53360	53400	53420	5780	53431	5789	53441
53341	53361	53401	53421	5781	53440	*53331	53450
53350	53371	53410	53431	5789	53441	4560	53451
53351	53391	53411	53440	*53310	53450	5307	53460
53360	53400	53420	53441	4560	53451	53400	53461
53361	53401	53421	53450	5307	53460	53401	53471
53371	53410	53431	53451	53400	53461	53410	53491
53391	53411	53440	53460	53401	53471	53411	5693
53400	53420	53441	53461	53410	53491	53420	5780
53401	53421	53450	53471	53411	5693	53421	5781
53410	53431	53451	53491	53420	5780	53431	5789
53411	53440	53460	5693	53421	5781	53440	*53350
53420	53441	53461	5780	53431	5789	53441	4560
53421	53450	53471	5781	53440	*53321	53450	5307
53431	53451	53491	5789	53441	4560	53451	53400
53440	53460	5693	*53300	53450	5307	53460	53401
53441	53461	5780	4560	53451	53400	53461	53410
53450	53471	5781	5307	53460	53401	53471	53411
53451	53491	5789	53400	53461	53410	53491	53420
53460	5693	*53291	53401	53471	53411	5693	53421
53461	5780	4560	53410	53491	53420	5780	53431
53471	5781	5307	53411	5693	53421	5781	53440
53491	5789	53100	53420	5780	53431	5789	53441

53450	5307	53460	53101	53221	53110	53231	53111
53451	53400	53461	53110	53231	53111	53240	53120
53460	53401	53471	53111	53240	53120	53241	53121
53461	53410	53491	53120	53241	53121	53250	53131
53471	53411	5693	53121	53250	53131	53251	53140
53491	53420	5780	53131	53251	53140	53260	53141
5693	53421	5781	53140	53260	53141	53261	53150
5780	53431	5789	53141	53261	53150	53271	53151
5781	53440	*53390	53150	53271	53151	53291	53160
5789	53441	4560	53151	53291	53160	5693	53161
*53351	53450	5307	53160	5693	53161	5780	53171
4560	53451	53400	53161	5780	53171	5781	53191
5307	53460	53401	53171	5781	53191	5789	53200
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53401	53471	53411	53200	*53410	53201	4560	53210
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53441	4560	53451	53240	53120	53241	53121	53250
53450	5307	53460	53241	53121	53250	53131	53251
53451	53400	53461	53250	53131	53251	53140	53260
53460	53401	53471	53251	53140	53260	53141	53261
53461	53410	53491	53260	53141	53261	53150	53271
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5307	53460	53401	4560	53210	5307	53211	53100
53400	53461	53410	5307	53211	53100	53220	53101
53401	53471	53411	53100	53220	53101	53221	53110
53410	53491	53420	53101	53221	53110	53231	53111
53411	5693	53421	53110	53231	53111	53240	53120
53420	5780	53431	53111	53240	53120	53241	53121
53421	5781	53440	53120	53241	53121	53250	53131
53431	5789	53441	53121	53250	53131	53251	53140
53440	*53371	53450	53131	53251	53140	53260	53141
53441	4560	53451	53140	53260	53141	53261	53150
53450	5307	53460	53141	53261	53150	53271	53151
53451	53400	53461	53150	53271	53151	53291	53160
53460	53401	53471	53151	53291	53160	5693	53161
53461	53410	53491	53160	5693	53161	5780	53171
53471	53411	5693	53161	5780	53171	5781	53191
53491	53420	5780	53171	5781	53191	5789	53200
5693	53421	5781	53191	5789	53200	*53430	53201
5780	53431	5789	53200	*53411	53201	4560	53210
5781	53440	*53400	53201	4560	53210	5307	53211
5789	53441	4560	53210	5307	53211	53100	53220
*53361	53450	5307	53211	53100	53220	53101	53221
4560	53451	53100	53220	53101	53221	53110	53231

53240	53120	53241	53121	53250	53131	53251	53140
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53211	53100	53220	53101	53221	53110	53231	53351
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53241	53121	53250	53131	53251	53140	53260	53400
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57400	53440	53391	53331	7882
*5780	53441	53400	53340	*75314
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53110	53471	53421	53361	585
53111	53491	53431	53371	5996
53120	5693	53440	53391	7882
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53131	4560	53450	53401	5845
53140	5307	53451	53410	5846
53141	53100	53460	53411	5847
53150	53101	53461	53420	5849
53151	53110	53471	53421	585
53160	53111	53491	53431	5996
53161	53120	5693	53440	7882
53171	53121	*5789	53441	*75316
53191	53131	4560	53450	5845
53200	53140	5307	53451	5846
53201	53141	53100	53460	5847
53210	53150	53101	53461	5849
53211	53151	53110	53471	585
53220	53160	53111	53491	5996
53221	53161	53120	5693	7882
53231	53171	53121	*75310	*75317
53240	53191	53131	5845	5845
53241	53200	53140	5846	5846
53250	53201	53141	5847	5847
53251	53210	53150	5849	5849
53260	53211	53151	585	585
53261	53220	53160	5996	5996
53271	53221	53161	7882	7882
53291	53231	53171	*75311	*75319
53300	53240	53191	5845	5845
53301	53241	53200	5846	5846
53310	53250	53201	5847	5847
53311	53251	53210	5849	5849
53320	53260	53211	585	585
53321	53261	53220	5996	5996
53331	53271	53221	7882	7882
53340	53291	53231	*75312	*99673
53341	53300	53240	5845	V451
53350	53301	53241	5846	*99685
53351	53310	53250	5847	99685
53360	53311	53251	5849	*9979
53361	53320	53260	585	99685
53371	53321	53261	5996	
53391	53331	53271	7882	
53400	53340	53291	*75313	
53401	53341	53300	5845	
53410	53350	53301	5846	
53411	53351	53310	5847	
53420	53360	53311	5849	
53421	53361	53320	585	

BILLING CODE 4120-03-C

Table 6f.—Deletions to the CC Exclusions List

CCs that are deleted from the list are in Table 6f—Deletions to the CC Exclusions List. Each of the principal diagnoses is shown with an asterisk, and the revisions to the CC Exclusions List are provided in an indented column immediately following the affected principal diagnosis.

BILLING CODE 4120-03-M

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*70583
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*7531
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BILLING CODE 4120-03-C

TABLE 6g—ADDITIONAL OR PROCEDURES THAT GROUP TO DRG 477

Procedure code	Description
04.99	Other operations on cranial and peripheral nerves, NEC.
05.23	Lumbar sympathectomy.
06.02	Reopening of wound of thyroid field.
08.23	Excision of major lesion of eyelid, partial-thickness.
08.24	Excision of major lesion of eyelid, full-thickness.
08.31	Repair of blepharoptosis by frontalis muscle technique with suture.
08.32	Repair of blepharoptosis by frontalis muscle technique with fascial sling.
08.34	Repair of blepharoptosis by other levator muscle techniques.
08.35	Repair of blepharoptosis by tarsal technique.
08.37	Reduction of overcorrection of ptosis.
08.38	Correction of lid retraction.
08.41	Repair of entropion or ectropion by thermocauterization.
08.42	Repair of entropion or ectropion by suture technique.
08.43	Repair of entropion or ectropion with wedge resection.
08.44	Repair of entropion or ectropion with lid reconstruction.
08.51	Canthotomy.
08.61	Reconstruction of eyelid with skin flap or graft.
08.62	Reconstruction of eyelid with mucous membrane flap or graft.
08.63	Reconstruction of eyelid with hair follicle graft.
08.64	Reconstruction of eyelid with tarsoconjunctival flap.
08.69	Other reconstruction of eyelid with flaps or grafts.
08.71	Reconstruction of eyelid involving lid margin, partial-thickness.
08.72	Other reconstruction of eyelid, partial-thickness.
08.73	Reconstruction of eyelid involving lid margin, full-thickness.
09.0	Incision of lacrimal gland.
09.11	Biopsy of lacrimal gland.
09.12	Biopsy of lacrimal sac.
09.19	Other diagnostic procedures on lacrimal system.
09.22	Other partial dacryoadenectomy.
09.23	Total dacryoadenectomy.
09.3	Other operations on lacrimal gland.
09.41	Probing of lacrimal punctum.
09.42	Probing of lacrimal canaliculi.
09.43	Probing of nasolacrimal duct.
09.44	Intubation of nasolacrimal duct.
09.49	Other manipulation of lacrimal passage.
09.51	Incision of lacrimal punctum.
09.52	Incision of lacrimal canaliculi.
09.53	Incision of lacrimal sac.
09.59	Other incision of lacrimal passages.
09.6	Excision of lacrimal sac and passage.
09.71	Correction of everted punctum.
09.72	Other repair of punctum.
09.73	Repair of canaliculus.
09.81	Dacryocystorhinostomy [DCR].
09.82	Conjunctivocystorhinostomy.
09.83	Conjunctivocystorhinostomy with insertion of tube or stent.
09.91	Obliteration of lacrimal punctum.
09.99	Other operations on lacrimal system, NEC.
10.0	Removal of embedded foreign body from conjunctiva by incision.
10.1	Other incision of conjunctiva.
10.21	Biopsy of conjunctiva.
10.29	Other diagnostic procedures on conjunctiva.

TABLE 6g—ADDITIONAL OR PROCEDURES THAT GROUP TO DRG 477—Continued

Procedure code	Description
10.31	Excision of lesion or tissue of conjunctiva.
10.32	Destruction of lesion of conjunctiva.
10.33	Other destructive procedures on conjunctiva.
10.41	Repair of symblepharon with free graft.
10.42	Reconstruction of conjunctival cul-de-sac with free graft.
10.43	Other reconstruction of conjunctival cul-de-sac.
10.44	Other free graft to conjunctiva.
10.49	Other conjunctivoplasty.
10.5	Lyis of adhesions of conjunctiva and eyelid.
10.91	Subconjunctival injection.
10.99	Other operations on conjunctiva, NEC.
11.0	Magnetic removal of embedded foreign body from cornea.
11.1	Incission of cornea.
11.21	Scraping of cornea for smear or culture.
11.22	Biopsy of cornea.
11.29	Other diagnostic procedures on cornea.
11.31	Transposition of pterygium.
11.32	Excision of pterygium with corneal graft.
11.39	Other excision of pterygium.
11.41	Mechanical removal of corneal epithelium.
11.42	Thermocauterization of corneal lesion.
11.43	Cryotherapy of corneal lesion.
11.49	Other removal or destruction of corneal lesion.
11.51	Suture of corneal laceration.
11.52	Repair of postoperative wound dehiscence of cornea.
11.53	Repair of corneal laceration or wound with conjunctival flap.
11.59	Other repair of cornea.
11.60	Corneal transplant, NOS.
11.61	Lamellar keratoplasty with autograft.
11.62	Other lamellar keratoplasty.
11.63	Penetrating keratoplasty with autograft.
11.64	Other penetrating keratoplasty.
11.69	Other corneal transplant.
11.71	Keratomeleusis.
11.72	Keratophakia.
11.73	Keratorosthesis.
11.74	Thermokeratoplasty.
11.75	Radial Keratotomy.
11.76	Epikeratophakia.
11.79	Other reconstructive and refractive surgery on cornea, NEC.
11.91	Tattooing of cornea.
11.92	Removal of artificial implant from cornea.
11.99	Other operations on cornea, NEC.
12.00	Removal of intraocular foreign body from anterior segment of eye, NOS.
12.01	Removal of intraocular foreign body from anterior segment of eye with use of magnet.
12.02	Removal of intraocular foreign body from anterior segment of eye without use of magnet.
12.11	Iridotomy with tranfixion.
12.12	Other iridotomy.
12.13	Excision of prolapsed iris.
12.14	Other iridectomy.
12.21	Diagnostic aspiration of anterior chamber of eye.
12.22	Biopsy of iris.
12.29	Other diagnostic procedures on iris, ciliary body, sclera, and anterior chamber.
12.31	Lysis of goniosynechiae.
12.32	Lysis of other anterior synechiae.
12.33	Lysis of posterior synechiae.
12.34	Lysis of corneovitreal adhesions.
12.35	Coreoplasty.

TABLE 6g—ADDITIONAL OR PROCEDURES THAT GROUP TO DRG 477—Continued

Procedure code	Description
12.39	Other iridoplasty.
12.40	Removal of lesion of anterior segment of eye, NOS.
12.41	Destruction of lesion of iris, nonexcisional.
12.42	Excision of lesion of iris.
12.43	Destruction of lesion of ciliary body, nonexcisional.
12.44	Excision of lesion of ciliary body.
12.51	Goniopuncture without goniotomy.
12.52	Goniotomy without goniopuncture.
12.53	Goniotomy with goniopuncture.
12.54	Trabeculotomy ab externo.
12.55	Cyclodialysis.
12.59	Other facilitation of intraocular circulation.
12.61	Trephination of sclera with iridectomy.
12.62	Thermocauterization of sclera with iridectomy.
12.63	Iridencleisis and iridotasis.
12.64	Trabeculectomy ab externo.
12.65	Other scleral fistulization with iridectomy.
12.66	Postoperative revision of scleral fistulization procedure.
12.69	Other fistulizing procedure.
12.71	Cyclodiathermy.
12.73	Cyclophotocoagulation.
12.74	Diminution of ciliary body, NOS.
12.79	Other glaucoma procedures.
12.81	Suture of laceration of sclera.
12.82	Repair of scleral fistula.
12.83	Revision of operative wound of anterior segment, NOS.
12.84	Excision or destruction of lesion of sclera.
12.85	Repair of scleral staphyloma with graft.
12.86	Other repair of scleral staphyloma.
12.87	Scleral reinforcement with graft.
12.88	Other scleral reinforcement.
12.89	Other operations on sclera.
12.91	Therapeutic evacuation of anterior chamber.
12.92	Injection into anterior chamber.
12.93	Removal or destruction of epithelial downgrowth from anterior chamber.
12.97	Other operations on iris.
12.98	Other operations on ciliary body.
12.99	Other operations on anterior chamber.
13.00	Removal of foreign body from lens, NOS.
13.01	Removal of foreign body from lens with use of magnet.
13.02	Removal of foreign body from lens without use of magnet.
13.72	Secondary insertion of intraocular lens prosthesis.
14.00	Removal of foreign body from posterior segment of eye, NOS.
14.01	Removal of foreign body from posterior segment of eye with use of magnet.
14.02	Removal of foreign body from posterior segment of eye without use of magnet.
14.11	Diagnostic aspiration of vitreous.
14.19	Other diagnostic procedures on retina, choroid, vitreous, and posterior chamber.
14.21	Destruction of chorioretinal lesion by diathermy.
14.22	Destruction of chorioretinal lesion by cryotherapy.
14.26	Destruction of chorioretinal lesion by radiation therapy.
14.27	Destruction of chorioretinal lesion by implantation of radiation source.
14.29	Other destruction of chorioretinal lesion.
14.31	Repair of retinal tear by diathermy.

TABLE 6g—ADDITIONAL OR PROCEDURES THAT GROUP TO DRG 477—Continued

Procedure code	Description
14.32	Repair of retinal tear by cryotherapy.
14.39	Other repair of retinal tear.
14.41	Scleral buckling with implant.
14.49	Other scleral buckling.
14.51	Repair of retinal detachment with diathermy.
14.52	Repair of retinal detachment with cryotherapy.
14.53	Repair of retinal detachment with xenon arc photocoagulation.
14.54	Repair of retinal detachment with laser photocoagulation.
14.55	Repair of retinal detachment with photocoagulation of unspecified type.
14.59	Other repair of retinal detachment, NEC.
14.6	Removal of surgically implanted material from posterior segment of eye.
14.9	Other operations on retina, choroid, and posterior chamber.
15.01	Biopsy of extraocular muscle or tendon.
15.09	Other diagnostic procedures on extraocular muscles and tendons.
15.11	Recession of some extraocular muscle.
15.12	Advancement of one extraocular muscle.
15.19	Other operations on one extraocular muscle involving temporary detachment from globe.
15.21	Lengthening procedure on one extraocular muscle.
15.22	Shortening procedure on one extraocular muscle.
15.29	Other operations on one extraocular muscle, NEC.
15.3	Operations on two or more extraocular muscles involving temporary detachment from globe, one or both eyes.
15.4	Other operations on two or more extraocular muscles, one or both eyes.
15.5	Transposition of extraocular muscles.
15.6	Revision of extraocular muscle surgery.
15.7	Repair of injury of extraocular muscle.
15.9	Other operations on extraocular muscles and tendons.
16.01	Orbitotomy with bone flap.
16.02	Orbitotomy with insertion of orbital implant.
16.09	Other orbitotomy.
16.1	Removal of penetrating foreign body from eye, NOS.
16.22	Diagnostic aspiration of orbit.
16.23	Biopsy of eyeball and orbit.
16.29	Other diagnostic procedures on orbit and eyeball.
16.31	Removal of ocular contents with synchronous implant into scleral shell.
16.39	Other evisceration of eyeball.
16.41	Enucleation of eyeball with synchronous implant into Tenon's capsule with attachment of muscles.
16.42	Enucleation of eyeball with other synchronous implant.
16.49	Other enucleation of eyeball.
16.51	Exenteration of orbit with removal of adjacent structures.
16.52	Exenteration of orbit with therapeutic removal of orbital bone.
16.59	Other exenteration of orbit.
16.61	Secondary insertion of ocular implant.
16.62	Revision and reinsertion of ocular implant.
16.63	Revision of enucleation socket with graft.
16.64	Other revision of enucleation socket.
16.65	Secondary graft to exenteration cavity.
16.66	Other revision of exenteration cavity.
16.69	Other secondary procedures after removal of eyeball.
16.71	Removal of ocular implant.
16.72	Removal of orbital implant.
16.81	Repair of wound of orbit.
16.82	Repair of rupture of eyeball.
16.89	Other repair of injury of eyeball or orbit.
16.92	Excision of lesion of orbit.
16.93	Ecision of lesion of eye, unspecified structure.
16.98	Other operations on orbit.
16.99	Other operations on eyeball.
18.79	Other plastic repair of external ear.
19.4	Myringoplasty.
20.49	Other mastoidectomy.
20.51	Excision of lesion of middle ear.
21.09	Control of epistaxis by other means.
21.69	Other turbinectomy.
22.63	Ethmoidectomy.
24.4	Excision of dental lesion of jaw.
28.2	Tonsillectomy without adenoidectomy.
29.4	Plastic operation on pharynx.
31.98	Other operations on larynx.
37.89	Revision or removal of pacemaker device.
38.09	Incision of vessel, lower limb veins.
39.32	Suture of vein.
39.53	Repair of arteriovenous fistula.
40.3	Regional lymph node excision.
44.15	Open biopsy of stomach.
45.11	Transabdominal endoscopy of small intestine.
45.21	Transabdominal endoscopy of large intestine.
45.26	Open biopsy of large intestine.
46.41	Revision of stoma of small intestine.
46.52	Closure of stoma of large intestine.
48.25	Open biopsy of rectum.
48.81	Incision of perirectal tissue.
48.82	Excision of perirectal tissue.
49.11	Anal fistulotomy.
49.12	Anal fistulectomy.
49.49	Other procedures on hemorrhoids.
49.59	Other anal sphincterotomy.
49.79	Other repair of anal sphincter.
51.99	Other operations on biliary tract, NEC.
53.51	Incisional hernia repair.
54.4	Excision or destruction of peritoneal tissue.
54.64	Suture of peritoneum.
55.12	Pyelostomy.
56.52	Revision of cutaneous uretero-ileostomy.
57.22	Revision or closure of vesicostomy.
57.91	Sphincterotomy of bladder.
57.97	Replacement of electronic bladder stimulator.
57.98	Removal of electronic bladder stimulator.
58.5	Release of urethral stricture.
58.99	Other operations on urethra and periurethral tissue, NEC.
59.79	Other repair of urinary stress incontinence, NEC.
64.98	Other operations on penis.
64.99	Other operations on male genital organs, NEC.
65.61	Removal of both ovaries and tubes at same operative episode.
68.29	Other excision or destruction of lesion of uterus.
68.5	Vaginal hysterectomy.
70.14	Other vaginotomy.
70.50	Repair of cystocele and rectocele.
71.09	Other incision of vulva and perineum.
76.11	Biopsy of facial bone.
77.38	Other division of bone, tarsals and metatarsals.
77.40	Biopsy of bone, unspecified site.
77.66	Local excision of lesion or tissue of bone, patella.
77.88	Other partial ostectomy, tarsals and metatarsals.
78.03	Bone graft, radius and ulna.
78.62	Removal of implanted devices from bone, humerus.
78.66	Removal of implanted devices from bone, patella.
78.67	Removal of implanted devices from bone, tibia and fibula.
78.69	Removal of implanted devices from bone, NEC.
79.12	Closed reduction of fracture with internal fixation, radius and ulna.
80.18	Other arthrotomy, foot and toe.
80.46	Division of joint capsule, ligament, or cartilage, knee.
80.76	Synovectomy, knee.
80.86	Other local excision or destruction of lesion of joint, knee.
81.57	Replacement of joint of foot and toe.
81.83	Other repair of shoulder.
82.01	Exploration of tendon sheath of hand.
82.09	Other incision of soft tissue of hand.
83.01	Exploration of tendon sheath.
83.09	Other incision of soft tissue.
83.13	Other tenotomy.
84.01	Amputation and disarticulation of finger.
86.65	Heterograft to skin.
86.89	Other repair and reconstruction of skin and subcutaneous tissue.
87.53	Intraoperative cholangiogram.

Table 6h—Diagnosis Codes by Body Site Category for MDC 24

Body Site Category 1: Head

800.02–800.05	803.10–803.49
800.10	803.52–803.55
800.12–800.19	803.60–803.99
800.20	804.02–804.06
800.22–800.29	804.10–804.46
800.30	804.52–804.55
800.32–800.39	804.60–804.66
800.40	804.70–804.99
800.42–800.49	850.2–850.4
800.52–800.55	851.00–851.05
800.60–800.99	851.09–851.99
801.02–801.05	852.00–854.19
801.10–801.49	874.12
801.52–801.55	900.01–900.03
801.60–801.99	900.1
803.02–803.05	900.81–900.82

Body Site Category 2: Chest

807.07–807.08	901.0–901.42
807.14–807.19	901.83
807.3–807.6	901.89
819.1	901.9
839.71	927.01
860.0–860.5	958.0
861.00–862.9	958.1

Body Site Category 3: Abdomen

863.0–863.59	868.09
863.81–865.19	868.12–868.19
868.02	902.0–902.9

Body Site Category 4: Kidney

866.00–866.13
868.01

Table 6h—Diagnosis Codes by Body Site Category for MDC 24—Continued

868.11

Body Site Category 5: Urinary

867.0–867.9

Body Site Category 6: Pelvis, Spine

805.6	868.03
805.7	868.04
806.00–806.60	926.11
806.70–806.9	926.19–926.9
808.0–808.9	952.00–952.9
809.1	953.5
839.52	953.8
839.59	954.8

Body Site Category 7: Upper Limb

812.10–812.19	831.10–831.19
812.30	832.10–832.19
812.31	887.0–887.7
812.50–812.59	903.00–903.9
813.10–813.18	927.00–927.8
813.30–813.33	953.4
813.50–813.54	954.9
813.90–813.93	955.0–955.8
818.1	958.6

Body Site Category 8: Lower Limb

820.00–821.39	904.0–904.2
823.10–823.12	904.40–904.54
823.30–823.32	904.7
823.90–823.92	926.12
828.0	928.00–928.11
828.1	928.8
835.10–835.13	928.9
836.60–836.69	956.0–956.3
837.1	956.8
896.0–897.7	956.9

Table 6i.—HIV-Related Conditions Necessary for Assignment to MDC 25

Diagnosis code	Description	Major
003.1–003.9	Salmonella	Yes
007.2	Coccidiosis	Yes
009.0–009.3	Infectious enteritis	No
010.0–018.96	Tuberculosis	Yes
031.8–031.9	Mycobacterial disease.	Yes
038.0–038.9	Septicemia	Yes
039.0–039.9	Actinomycotic infections.	Yes
046.3	Progressive multifocal leukoencephalopathy.	Yes
046.8–046.9	Slow virus infection of central nervous system, NEC and NOS.	Yes
047.9	Viral meningitis, NOS..	No
049.8–049.9	Non-arthropod-borne viral disease of central nervous system, NEC and NOS.	Yes

Table 6i.—HIV-Related Conditions Necessary for Assignment to MDC 25—Continued

Diagnosis code	Description	Major
053.0–053.9	Herpes zoster	Yes
054.0–054.9	Herpes simplex	Yes
078.5	Cytomegalic inclusion disease.	Yes
079.9	Viral infection, NOS	No
110.0–110.9	Dermatophytosis	No
111.0–111.9	Dermatomycosis, other and unspecified.	No
112.0	Candidiasis of mouth	Yes
112.3–112.9	Candidiasis	Yes
114.0–114.9	Coccidioidomycosis	Yes
115.0–115.99	Histoplasmosis	Yes
117.5	Cryptococcosis	Yes
118	Opportunistic mycoses.	Yes
127.2	Strongyloidiasis	Yes
130.0–130.9	Toxoplasmosis	Yes
136.3	Pneumocystosis	Yes
173.0–173.9	Other malignant neoplasm of skin.	Yes
200.0–200.08	Reticulosarcoma	Yes
200.20–200.28	Burkitt's tumor or lymphoma.	Yes
200.80–200.88	Other named variants.	Yes
202.80–202.88	Other lymphomas	Yes
260.0–269.9	Nutritional deficiencies.	No
276.5	Volume depletion	No
279.00–279.9	Disorders involving the immune mechanism.	No
280.0–281.9	Iron deficiency anemias.	No
283.0–283.9	Acquired hemolytic anemias.	No
284.8–284.9	Aplastic anemia, NEC and NOS.	No
285.9	Anemia, NOS	No
287.4	Secondary thrombocytopenia.	No
287.5	Thrombocytopenia, NOS.	No
288.0	Agranulocytosis	No
289.4	Hypersplenism	No
289.9	Diseases of blood and blood-forming organs, NOS.	No
290.10–290.13	Presenile dementia	Yes
294.9	Organic brain syndrome (chronic), NOS.	Yes
298.9	Psychoses, NOS	Yes
310.9	Nonpsychotic mental disorder following organic brain damage, NOS.	Yes
323.9	Encephalitis, NOS	Yes
336.9	Disease of spinal cord, NOS.	Yes
341.9	Demyelinating disease of central nervous system, NOS.	Yes
348.3	Encephalopathy, NOS.	Yes
348.9	Condition of brain, NOS.	Yes

Table 6i.—HIV-Related Conditions Necessary for Assignment to MDC 25—Continued

Diagnosis code	Description	Major
349.9	Disorders of central nervous system, NOS.	Yes
357.0	Acute infective polyneuritis.	No
357.8–357.9	Polyneuropathy, NEC and NOS.	No
362.1–362.18	Other background retinopathy and retinal vascualr changes.	Yes
369.0–369.9	Profound impairment, both eyes.	No
480.9	Viral pneumonia, NOS.	Yes
486	Pneumonia, organism, NOS.	Yes
516.8	Other specified alveolar and parietoalveolar pneumonopathies.	
527.9	Unspecified disease of the salivary glands.	No
528.6	Leukoplakia of oral mucosa, including tongue.	No
558.1–558.9	Other noninfectious gastroenteritis and colitis.	No
579.9	Intestinal malabsorption, NOS.	No
683	Acute lymphadenitis	No
709.9	Disorder of skin and subcutaneous tissue, NOS.	No
711.00–711.09	Pyogenic arthritis	No
711.90–711.99	Infective arthritis, NOS.	No
716.90–716.99	Arthropathy, NOS	No
729.2	Neuralgia, neuritis, and radiculitis, NOS.	No
780.6	Pyrexia of unknown origin.	No
780.7	Malaise and fatigue	No
780.8	Hyperhidrosis	No
782.1	Rash and other nonspecific skin eruption.	No
783.2	Abnormal loss of weight.	No
783.4	Lack of expected normal physiological development.	No
785.6	Enlargement or lymph nodes.	No
786.00–786.09	Dyspnea and respiratory abnormalities.	No
789.1	Hepatomegaly	No
789.2	Splenomegaly	No
799.4	Cachexia	No

BILLING CODE 4120-03-M

TABLE 7A - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V7.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
001	26324	18.7503	5	8	13	22	38
002	5386	19.1914	4	7	13	23	39
003	4	22.5000	5	5	21	21	43
004	4712	15.4327	4	6	11	19	32
005	44081	7.5199	3	4	5	9	14
006	1296	2.9938	1	1	2	3	6
007	5258	23.4553	2	6	12	25	52
008	3414	4.7595	1	1	3	6	10
009	1884	11.6280	2	4	7	14	23
010	18429	11.6341	2	4	8	14	24
011	4181	6.9823	1	3	5	9	14
012	21653	10.7840	2	4	7	12	20
013	4929	9.4908	3	5	7	11	17
014	318785	10.6573	3	5	8	12	20
015	136853	5.5910	2	3	4	7	10
016	11618	9.5947	3	4	7	11	18
017	4222	6.2274	2	3	4	7	11
018	12551	9.1430	2	4	6	11	18
019	8722	5.6390	1	2	4	7	11
020	5723	12.8197	2	5	9	15	26
021	788	10.4264	3	4	8	13	21
022	10642	5.8238	2	3	4	7	11
023	3604	6.4811	1	2	4	8	13
024	48811	7.7758	2	3	5	9	15
025	24851	4.6939	1	2	3	6	8
026	43	5.6512	1	2	4	7	14
027	2882	9.5056	1	1	5	11	22
028	6939	10.0373	2	3	6	12	20
029	3840	4.9849	1	2	3	6	10
030	1	1.0000	1	1	1	1	1
031	3860	6.4212	1	2	4	7	12
032	3531	3.7570	1	2	3	5	7
034	12166	9.3162	2	3	6	11	19
035	4265	5.3538	1	2	4	6	10
036	20711	2.8725	1	2	2	3	5
037	3029	4.4325	1	2	3	5	9
038	1028	4.0496	1	1	2	3	6
039	18198	1.9786	1	1	2	2	3
040	4294	3.1465	1	1	2	3	7
041	3	2.3333	2	2	2	3	3
042	22393	2.9004	1	1	2	3	5
043	257	7.1440	2	2	4	6	10
044	2163	6.7901	3	4	6	8	12
045	2807	4.3221	1	2	3	5	8
046	2021	6.2718	1	2	5	8	12
047	2413	3.7729	1	1	2	5	7
049	7158	15.5486	3	7	12	18	30
050	5334	2.8646	1	1	2	3	5
051	674	3.1691	1	1	2	3	7
052	155	3.8710	1	1	2	4	8
053	8024	3.1474	1	1	2	3	7

TABLE 7A - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V7.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
055	6107	2.7696	1	1	1	2	5
056	1005	2.7692	1	1	2	3	6
057	750	6.4360	1	2	3	7	14
059	272	2.5772	1	1	1	2	5
061	417	4.8729	1	1	2	4	12
062	2	4.0000	1	1	7	7	7
063	5475	7.2933	1	2	4	8	15
064	5236	9.7256	1	2	6	11	22
065	30141	4.1839	2	2	3	5	8
066	9015	4.1729	1	2	3	5	7
067	431	6.1137	2	3	4	7	11
068	15213	6.1561	2	3	5	7	11
069	5608	4.5695	2	3	4	6	8
070	22	3.4091	1	2	3	4	5
071	154	5.5455	2	3	4	7	11
072	716	5.5265	1	2	3	5	9
073	7704	6.1541	1	2	4	7	12
074	2	1.5000	1	1	2	2	2
075	29342	14.3281	6	8	11	17	26
076	33547	14.8059	3	7	11	18	29
077	4308	7.0966	1	2	5	10	15
078	26303	10.5171	4	7	9	13	17
079	108464	12.3772	4	6	10	15	23
080	10971	8.5368	3	5	7	11	15
081	2	8.5000	1	1	16	16	16
082	71558	9.7371	2	4	7	12	20
083	7084	8.3591	2	4	7	10	15
084	2073	4.8673	2	2	4	6	9
085	15970	9.1737	2	4	7	11	18
086	2268	5.9427	2	3	5	7	12
087	64770	8.3646	2	4	7	10	16
088	90818	7.6652	3	4	6	9	14
089	341632	9.0654	3	5	7	11	16
090	56067	6.6685	3	4	6	8	11
091	30	6.5667	3	4	5	9	12
092	8299	9.1907	3	4	7	11	17
093	1746	6.4118	2	3	5	8	12
094	8713	9.6254	3	5	7	12	18
095	1600	5.9100	2	3	5	7	11
096	210368	7.2733	3	4	6	9	13
097	47954	5.4604	2	3	5	7	9
098	10	5.3000	2	3	5	7	8
099	34228	5.9949	2	3	4	7	11
100	12219	3.3636	1	2	3	4	6
101	19331	6.9968	2	3	5	9	13
102	4661	4.5649	1	2	4	6	9
103	139	31.8633	11	17	23	33	62
104	12471	22.9172	10	13	18	28	40
105	12559	16.8216	8	9	12	18	30
106	52365	16.3308	9	11	14	18	25
107	38939	12.5210	7	8	10	13	19

TABLE 7A - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V7.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
108	20146	17.6367	7	10	13	20	32
109	10587	12.3148	1	4	9	16	26
110	70287	15.8434	6	8	12	18	30
111	15915	8.9497	4	6	8	11	14
112	119651	7.2580	2	3	5	9	14
113	31149	18.1794	6	8	13	22	35
114	8335	13.0169	3	6	10	16	26
115	6440	14.5120	6	8	12	17	25
116	53160	7.5850	2	4	6	9	14
117	2817	5.6024	1	2	4	7	12
118	7659	4.6168	1	2	3	5	10
119	3869	5.9530	1	2	3	6	14
120	20646	17.5669	2	6	12	22	36
121	143055	10.1469	4	6	9	12	17
122	118275	7.2510	2	4	7	9	12
123	61333	5.6324	1	1	3	7	13
124	90614	6.0126	1	2	5	8	12
125	93861	3.0653	1	1	2	4	7
126	3784	22.1055	5	11	19	31	42
127	528134	8.0058	3	4	6	10	15
128	27295	8.7712	4	6	8	10	14
129	7063	5.1699	1	1	2	6	13
130	60340	8.2481	2	4	7	10	15
131	28823	6.0516	1	2	6	8	11
132	14060	5.5802	2	3	4	7	11
133	5705	4.1364	1	2	3	5	7
134	33624	5.5950	2	3	4	7	10
135	6246	6.9036	2	3	5	8	13
136	1685	4.1507	1	2	3	5	8
137	2	1.5000	1	1	2	2	2
138	167866	6.2066	2	3	5	7	12
139	77586	4.0835	1	2	3	5	8
140	351709	4.7603	2	3	4	6	8
141	71469	5.8889	2	3	4	7	11
142	40557	4.0226	1	2	3	5	7
143	99714	3.5386	1	2	3	4	6
144	43559	7.8530	2	3	6	9	15
145	7527	4.2911	1	2	3	5	8
146	6929	15.1518	8	10	12	17	25
147	2228	10.3528	6	8	10	12	15
148	127325	17.1894	8	10	13	20	30
149	23756	10.1990	6	8	9	11	15
150	18515	14.4654	6	8	12	17	25
151	6002	8.6829	4	5	8	11	14
152	7596	9.9250	3	5	8	12	18
153	3255	7.2476	3	5	7	9	11
154	49419	17.1227	5	8	12	21	33
155	7219	8.9482	3	5	8	11	15
156	4	8.2500	2	2	7	8	15
157	14957	6.8912	2	3	5	8	14
158	14918	3.3269	1	2	3	4	6

TABLE 7A - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V7.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
159	14400	6.3447	2	3	5	8	13
160	14881	3.8274	1	2	3	5	7
161	29355	4.7555	1	2	3	6	10
162	38870	2.4731	1	1	2	3	4
163	14	4.5000	1	2	3	7	7
164	4279	12.2550	6	8	10	14	20
165	2272	7.8310	4	6	7	9	12
166	2480	8.1859	3	5	7	10	14
167	2400	4.6904	3	3	4	6	8
168	2087	6.9799	1	2	4	8	15
169	2043	3.0734	1	1	2	4	6
170	12081	16.5752	3	7	12	20	34
171	1771	7.9023	2	4	7	10	16
172	29806	10.6851	2	4	7	13	22
173	4345	5.9535	1	2	4	7	12
174	137164	7.1221	2	4	6	8	13
175	26883	4.6794	2	3	4	6	8
176	11575	7.9206	3	4	6	9	15
177	17139	6.4080	2	3	5	8	11
178	7752	4.6013	2	3	4	6	8
179	7441	9.3830	3	4	7	11	18
180	57596	7.8608	2	4	6	9	15
181	24233	4.8632	2	3	4	6	9
182	238377	6.4423	2	3	5	8	12
183	85910	4.4130	1	2	4	6	8
184	59	4.8136	1	2	3	5	9
185	3694	6.3327	1	2	4	8	13
186	1	11.0000	11	11	11	11	11
187	1279	3.1228	1	1	2	4	7
188	40154	7.5071	2	3	5	9	15
189	11241	4.1168	1	1	3	5	8
190	119	5.0168	2	3	4	6	9
191	9067	21.3336	7	10	16	26	42
192	1203	11.2884	4	6	9	14	20
193	12764	17.2840	7	10	14	21	30
194	2155	11.4241	5	7	10	14	20
195	20112	12.9935	6	8	11	15	21
196	3203	9.0468	5	6	8	11	14
197	60446	9.9898	4	6	8	12	17
198	36021	6.1039	3	4	5	7	10
199	3047	15.0866	5	8	12	19	28
200	1834	15.2639	3	6	11	20	31
201	4897	13.1748	3	5	9	16	27
202	14564	9.8969	2	4	8	13	20
203	29114	9.7931	2	4	7	13	20
204	34296	8.0768	3	4	6	10	15
205	19171	9.5314	2	4	7	12	19
206	2953	5.4700	1	2	4	7	11
207	34912	7.3043	2	4	6	9	14
208	15287	4.3009	1	2	3	6	8
209	209375	11.9562	7	8	10	13	18

TABLE 7A - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V7.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
210	98254	14.6807	7	9	12	16	24
211	39276	10.8054	6	7	10	13	16
212	12	4.7500	2	3	4	5	7
213	5217	13.7269	3	6	10	16	27
214	29535	12.6223	5	7	10	15	23
215	34082	7.7554	3	5	7	9	13
216	5039	14.8347	2	5	11	19	32
217	11976	22.5387	3	8	15	29	49
218	13931	10.5557	3	5	8	12	19
219	17737	5.9902	2	3	5	7	11
220	6	7.6667	1	6	8	10	10
221	3795	10.2343	2	4	7	12	21
222	6429	5.3634	1	2	4	7	11
223	11337	4.8697	2	2	3	5	9
224	8361	3.2495	1	2	3	4	6
225	10320	5.4726	1	2	3	6	12
226	5226	9.6701	2	3	6	12	21
227	8106	3.9677	1	2	3	5	8
228	7213	3.8253	1	1	2	4	7
229	3624	2.6203	1	1	2	3	5
230	2677	6.7381	1	2	4	8	14
231	6862	6.2702	1	2	3	7	14
232	657	6.2603	1	2	3	8	16
233	5236	13.0623	3	5	9	16	26
234	4125	5.7881	1	2	4	7	11
235	6277	13.2171	2	4	8	14	31
236	37350	9.7945	2	4	7	12	18
237	1728	6.1013	1	3	5	7	11
238	5648	14.1052	4	7	10	17	29
239	56188	10.3191	3	5	8	13	20
240	10502	9.8361	3	4	7	12	19
241	4978	6.1027	2	3	5	8	11
242	2325	11.0839	3	5	8	14	24
243	116754	6.9141	1	3	5	9	13
244	10685	7.8514	2	3	6	9	14
245	6658	5.4731	1	2	4	7	10
246	1897	5.8968	2	3	4	7	11
247	9253	5.0639	1	2	4	6	10
248	6173	6.0781	2	3	5	7	12
249	5521	6.2186	1	2	4	7	13
250	3543	6.8916	1	2	5	8	13
251	4329	3.5204	1	1	2	4	7
253	15383	8.7712	2	3	6	10	17
254	15189	5.0744	1	2	4	6	10
255	2	10.5000	1	1	20	20	20
256	8766	5.5586	1	2	4	7	11
257	26025	6.0963	3	4	5	7	10
258	27903	4.4520	2	3	4	5	7
259	3286	6.9327	1	2	4	8	15
260	4103	3.1102	1	2	3	4	6
261	3339	2.9368	1	2	2	4	5

TABLE 7A - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V7.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
262	2173	2.7009	1	1	2	3	5
263	23532	23.0061	6	9	16	28	47
264	5238	12.8127	3	6	9	16	25
265	4726	8.9575	2	3	6	12	22
266	5193	4.4384	1	2	3	6	9
267	498	4.5643	1	2	3	5	9
268	1531	4.8027	1	1	2	5	10
269	9970	12.7247	2	4	9	16	26
270	5804	4.7746	1	2	3	6	10
271	18899	12.5876	3	6	9	14	23
272	6547	9.8133	3	5	7	11	19
273	2882	7.3557	2	3	5	9	15
274	3644	10.4822	2	4	7	13	23
275	574	5.2334	1	1	3	6	11
276	948	5.4135	1	2	4	7	10
277	59247	8.9194	3	5	7	11	16
278	26284	6.5137	3	4	5	8	11
279	8	4.2500	2	2	3	6	6
280	12265	6.8504	2	3	5	8	13
281	8633	4.4910	1	2	3	5	8
282	1	3.0000	3	3	3	3	3
283	5583	7.4107	2	3	5	9	14
284	2924	5.1259	1	2	4	6	9
285	3820	21.4694	6	9	16	26	42
286	1490	13.2456	5	7	9	15	25
287	5589	20.0993	5	8	13	23	42
288	461	11.6594	3	5	7	11	23
289	3577	6.4358	2	3	4	8	13
290	9108	4.2694	2	2	3	4	7
291	137	2.2190	1	1	2	3	4
292	4507	17.9172	4	7	13	21	35
293	649	8.3190	2	3	6	10	17
294	92406	7.6003	3	4	6	9	13
295	3057	6.0173	2	3	5	7	11
296	186976	8.7072	2	4	6	10	17
297	50834	5.5150	2	3	4	6	10
298	70	4.0571	1	2	3	4	9
299	886	6.8081	1	2	5	8	14
300	10706	9.7723	3	4	7	12	19
301	2523	5.8589	2	3	4	7	11
302	5493	17.5478	8	10	14	21	30
303	15838	14.3875	6	8	11	17	25
304	13786	14.0627	4	7	10	17	27
305	4735	7.1888	2	3	6	9	13
306	11359	9.6549	3	4	7	12	18
307	5499	5.0406	2	3	4	6	9
308	8249	10.0587	2	4	7	12	20
309	4522	4.5904	1	2	3	6	9
310	33328	5.9768	1	2	4	7	12
311	23971	3.0131	1	1	2	4	6
312	3698	5.7196	1	2	4	7	12

TABLE 7A - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V7.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH ERCENTILE
313	2629	3.1046	1	1	2	4	6
314	5	6.8000	1	1	6	10	12
315	26002	13.2270	2	3	8	16	29
316	37794	9.5378	2	4	7	12	19
317	1207	3.2336	1	1	2	4	6
318	6941	9.3551	2	3	6	12	20
319	1278	4.2379	1	1	3	5	9
320	141557	8.7336	3	5	7	10	15
321	33807	6.0939	2	4	5	7	10
322	50	5.2600	2	3	4	7	10
323	24063	4.1323	1	2	3	5	9
324	13994	2.7282	1	1	2	3	5
325	10125	6.2946	2	3	4	7	12
326	4822	3.9419	1	2	3	5	7
327	3	6.0000	4	4	6	8	8
328	1693	5.2209	1	2	4	7	10
329	497	3.0020	1	1	2	4	6
331	25945	7.6595	2	3	6	10	15
332	7845	4.4808	1	2	3	6	9
333	348	7.3333	1	3	5	10	17
334	12190	10.7840	6	7	9	12	17
335	8384	8.3672	5	7	8	10	12
336	97715	6.5715	3	4	5	7	12
337	96993	4.3120	2	3	4	5	6
338	9471	5.5191	1	1	2	7	14
339	4537	4.0395	1	1	2	4	9
340	1	2.0000	2	2	2	2	2
341	14791	4.6269	1	2	4	5	8
342	603	3.5058	1	1	2	4	8
344	3511	6.4754	2	3	5	8	12
345	1987	5.4464	1	2	4	6	11
346	8820	8.8147	2	3	6	11	18
347	1628	4.0270	1	1	2	5	9
348	4620	5.7706	1	2	4	7	12
349	2618	3.1134	1	1	2	4	6
350	8249	5.9671	2	3	5	7	10
351	1	1.0000	1	1	1	1	1
352	989	4.0526	1	2	3	5	8
353	2011	13.8574	5	7	10	16	25
354	7408	9.2445	4	5	7	10	15
355	6579	5.7732	4	4	5	7	8
356	31336	5.0665	3	3	5	6	8
357	6348	13.1167	5	7	10	16	24
358	16630	7.6899	4	5	6	8	12
359	25845	5.2733	3	4	5	6	7
360	4160	6.0995	1	2	4	7	12
361	342	5.3012	1	1	3	6	12
362	17	3.4118	1	1	2	3	5
363	4767	4.7869	1	2	3	5	9
364	3405	3.5768	1	1	2	4	7
365	3437	11.4198	3	4	8	14	24

TABLE 7A - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V7.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
366	5043	10.4668	2	3	7	13	23
367	1177	4.1317	1	1	3	5	9
368	1412	7.7125	3	4	6	9	14
369	2693	4.7768	1	2	3	6	10
370	460	8.2630	3	4	5	8	14
371	671	4.5380	3	4	4	5	6
372	301	3.9934	2	2	3	4	6
373	1943	2.6397	1	2	2	3	3
374	282	4.1383	2	2	3	4	5
375	5	5.0000	1	1	2	8	14
376	106	4.1698	1	2	2	4	6
377	35	5.3429	1	1	3	5	15
378	115	3.9826	2	3	4	5	6
379	254	2.9370	1	1	2	3	5
380	55	2.6364	1	1	2	2	5
381	256	2.0469	1	1	1	2	4
382	74	1.3649	1	1	1	1	2
383	738	4.4851	1	2	3	6	9
384	97	3.2784	1	1	2	3	6
385	3	4.3333	1	1	3	9	9
387	1	19.0000	19	19	19	19	19
389	30	7.9000	1	3	5	12	21
390	33	5.9394	1	2	5	8	13
392	2466	16.6971	5	8	12	20	34
393	2	4.5000	4	4	5	5	5
394	2018	11.0040	1	2	6	12	25
395	70650	6.4510	2	3	5	8	12
396	55	3.1273	1	1	2	4	6
397	10177	7.7836	2	3	6	9	15
398	13133	8.9738	3	4	7	11	17
399	2309	5.6037	1	2	4	7	11
400	7616	15.1048	3	6	10	19	32
401	6290	15.1232	3	6	11	19	31
402	3106	6.2910	1	2	4	8	13
403	24099	12.2384	2	5	9	15	26
404	6258	6.4353	1	2	5	8	13
406	3888	15.8796	4	7	12	20	31
407	1309	8.1520	2	4	7	10	14
408	8154	7.0128	1	2	4	7	16
409	7299	10.3189	2	4	8	14	23
410	135530	3.4816	1	2	3	4	6
411	300	4.4233	1	1	2	4	7
412	293	3.0853	1	1	2	4	6
413	9774	11.3458	2	4	8	14	24
414	2751	6.8484	1	2	5	8	14
415	23727	21.5990	5	9	15	26	43
416	110471	10.7155	2	5	8	13	20
417	32	7.7813	1	4	6	10	15
418	12036	8.7001	3	4	7	11	16
419	15351	7.7246	2	4	6	9	14
420	4156	5.7964	2	3	5	7	10

TABLE 7A - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V7.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
421	13605	5.6867	2	3	4	7	10
422	90	4.9556	1	2	4	7	10
423	6226	11.9574	3	5	8	14	24
424	2880	23.0073	2	8	16	27	46
425	16107	6.7955	2	3	5	8	13
426	7527	8.0870	2	3	6	10	17
427	1885	8.3724	2	3	6	10	18
428	1148	10.6037	2	3	7	12	21
429	28722	12.3441	3	4	7	13	23
430	56694	12.8475	3	5	9	16	26
431	285	9.3754	2	3	6	10	18
432	572	8.2273	1	2	4	8	18
433	4914	4.8150	1	2	3	6	11
434	21667	10.3484	2	4	7	14	24
435	20085	10.6100	2	4	7	15	27
439	1167	12.7858	1	3	8	16	29
440	6467	17.6434	3	6	11	22	40
441	1118	3.9275	1	1	2	4	8
442	45753	9.7952	1	2	6	12	22
443	13287	6.1936	1	2	4	8	13
444	3988	7.0080	2	3	5	8	13
445	2607	4.9590	1	2	4	6	9
446	1	4.0000	4	4	4	4	4
447	2890	3.6398	1	2	3	4	7
448	1	3.0000	3	3	3	3	3
449	29310	6.3630	1	3	4	7	12
450	9190	3.7588	1	1	3	4	7
451	15	5.5333	1	2	5	8	9
452	24844	7.1760	1	3	5	8	14
453	8995	4.3672	1	2	3	5	9
454	3482	7.6020	1	2	5	9	15
455	1230	3.9073	1	1	3	4	7
456	180	9.5278	1	1	4	9	25
457	151	6.4503	1	1	2	9	17
458	1710	23.3637	5	9	17	30	49
459	545	17.0514	3	6	11	21	37
460	2407	9.5476	2	4	7	11	19
461	6896	5.1286	1	1	2	4	12
462	6115	18.5756	5	8	15	25	35
463	9353	7.1778	2	3	5	9	14
464	3200	4.4369	1	2	3	5	9
465	728	3.2280	1	1	2	3	7
466	4405	5.0114	1	1	2	5	10
467	4344	4.8382	1	1	2	4	9
468	70190	19.4568	3	8	14	24	38
471	4788	16.4576	8	10	14	19	27
472	214	34.7477	2	14	27	49	72
473	8165	17.3542	2	4	10	26	42
474	13091	49.6546	14	24	38	60	95
475	61689	14.0683	2	6	11	18	28
476	10429	17.8453	7	10	14	21	30

TABLE 7A - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V7.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
477	32238	10 5317	1	3	7	13	22

TABLE 7B - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V8.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
001	25697	17.8935	5	8	13	22	35
002	4911	17.4241	4	7	12	21	35
003	4	22.5000	5	5	21	21	43
004	4663	15.1499	4	6	11	19	31
005	43988	7.4553	3	4	5	9	14
006	1296	2.9938	1	1	2	3	6
007	5135	22.3073	2	5	11	24	48
008	3417	4.7536	1	1	3	6	10
009	1788	11.1309	2	4	7	13	21
010	18412	11.6217	2	4	8	14	24
011	4185	6.9811	1	3	5	9	14
012	21586	10.6401	2	4	7	12	19
013	4925	9.4686	3	5	7	11	17
014	317940	10.5456	2	4	8	12	20
015	136834	5.5836	2	3	4	7	10
016	11559	9.5238	3	4	7	11	18
017	4222	6.1956	2	3	4	7	11
018	11736	8.2003	2	4	6	10	15
019	8302	5.3852	1	2	4	7	11
020	6794	12.9500	2	5	9	16	26
021	779	10.4288	3	4	8	13	21
022	10639	5.8099	2	3	4	7	11
023	3801	6.4471	1	2	4	8	13
024	48899	7.7053	2	3	5	9	15
025	24885	4.6941	1	2	3	6	9
026	43	5.6512	1	2	4	7	14
027	2440	8.4439	1	1	4	10	20
028	6568	9.6081	2	3	6	12	20
029	3825	4.9718	1	2	3	6	10
030	1	1.0000	1	1	1	1	1
031	3833	6.3433	1	2	4	7	12
032	3529	3.7563	1	2	3	5	7
034	12065	9.0638	2	3	6	11	18
035	4271	5.3496	1	2	4	6	10
036	20710	2.8723	1	2	2	3	5
037	3025	4.4294	1	2	3	5	9
038	1028	4.0496	1	1	2	3	6
039	18197	1.9777	1	1	2	2	3
040	4292	3.1354	1	1	2	3	7
041	3	2.3333	2	2	2	3	3
042	22393	2.9004	1	1	2	3	5
043	257	7.1440	2	2	4	6	10
044	2163	6.7901	3	4	6	8	12
045	2807	4.3221	1	2	3	5	8
046	2914	6.2207	1	2	5	8	12
047	2413	3.7729	1	1	2	5	7
049	5728	14.7154	3	6	11	17	29
050	5322	2.8420	1	1	2	3	5
051	673	3.1649	1	1	2	3	7
052	154	3.7922	1	1	2	4	8
053	8012	3.1135	1	1	2	3	7

TABLE 7B - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V8.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
055	5940	2.5342	1	1	1	2	5
056	1004	2.7649	1	1	2	3	6
057	722	6.0069	1	2	3	7	13
059	269	2.5056	1	1	1	2	5
061	411	4.7324	1	1	2	4	12
062	2	4.0000	1	1	7	7	7
063	4897	6.0047	1	2	4	7	13
064	4895	9.0699	1	2	5	11	21
065	30139	4.1818	2	2	3	5	8
066	9012	4.1622	1	2	3	5	7
067	403	5.6278	2	3	4	7	10
068	15195	6.1411	2	3	5	7	11
069	5609	4.5646	2	3	4	6	8
070	22	3.4091	1	2	3	4	5
071	149	5.2953	2	3	4	6	11
072	716	5.5265	1	2	3	5	9
073	7503	6.0053	1	2	4	7	12
074	2	1.5000	1	1	2	2	2
075	29271	14.3180	6	8	11	17	26
076	33446	14.7843	3	7	11	18	29
077	4311	7.0951	1	2	5	10	15
078	26301	10.5172	4	7	9	13	17
079	108100	12.3654	4	6	10	15	23
080	10975	8.5381	3	5	7	11	15
081	2	8.5000	1	1	16	16	16
082	71558	9.7371	2	4	7	12	20
083	6895	8.2983	2	4	6	10	15
084	2073	4.8712	2	2	4	8	9
085	15970	8.1737	2	4	7	11	18
086	2268	5.9427	2	3	5	7	12
087	64770	8.3846	2	4	7	10	16
088	90818	7.6652	3	4	6	9	14
089	341417	9.0651	3	5	7	11	16
090	56099	6.6681	3	4	6	8	11
091	30	6.5667	3	4	5	9	12
092	8287	9.1899	3	4	7	11	17
093	1747	6.4133	2	3	5	8	12
094	8473	9.5306	3	5	7	12	18
095	1600	5.9100	2	3	5	7	11
096	210344	7.2733	3	4	6	9	13
097	47978	5.4816	2	3	5	7	9
098	10	5.3000	2	3	5	7	8
099	34210	5.9961	2	3	4	7	11
100	12230	3.3839	1	2	3	4	6
101	19266	6.9869	2	3	5	9	13
102	4665	4.5683	1	2	4	6	9
103	139	31.8633	11	17	23	33	62
104	12444	22.8287	10	13	18	26	40
105	12455	18.3990	8	9	12	18	29
106	53647	16.1750	9	11	14	18	25
107	49104	13.6316	7	8	10	15	22

TABLE 7B - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V8.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
108	6785	16.2735	7	9	12	19	29
110	42336	14.7453	3	8	11	17	28
111	8318	9.4060	4	7	9	11	14
112	81070	6.6000	2	3	5	8	13
113	31098	13.0956	6	8	13	22	35
114	8331	12.9668	3	6	10	16	26
115	6430	14.4337	6	8	12	17	25
116	53158	7.5693	2	4	6	9	14
117	2807	5.5814	1	2	4	7	12
118	7630	4.5882	1	1	3	5	10
119	3887	5.9364	1	2	3	6	14
120	19868	16.3911	2	6	12	21	34
121	142922	10.1081	4	6	9	12	17
122	118253	7.2438	2	4	7	9	12
123	61068	5.4921	1	1	3	7	13
124	90595	6.0022	1	2	5	8	12
125	83858	3.0833	1	1	2	4	7
126	3754	22.0434	5	11	19	31	42
127	527768	7.9778	3	4	6	10	15
128	27294	8.7710	4	6	8	10	14
129	6991	4.8615	1	1	2	6	13
130	60305	8.2371	2	4	7	10	15
131	28840	6.0521	1	2	6	8	11
132	14054*	5.5683	2	3	4	7	11
133	5704	4.1350	1	2	3	5	7
134	33619	5.5908	2	3	4	7	10
135	6242	6.9024	2	3	5	8	13
136	1686	4.1501	1	2	3	5	8
137	2	1.5000	1	1	2	2	2
138	167739	6.1850	2	3	5	7	12
139	77625	4.0638	1	2	3	5	8
140	351695	4.7585	2	3	4	6	8
141	71437	5.8828	2	3	4	7	11
142	40579	4.0230	1	2	3	5	7
143	99712	3.5335	1	2	3	4	6
144	43469	7.6291	2	3	6	9	15
145	7532	4.2852	1	2	3	5	8
146	6912	15.0499	8	10	12	17	25
147	2228	10.3528	6	8	10	12	15
148	126746	17.0468	8	10	13	20	30
149	23797	10.1993	6	8	9	11	15
150	18431	14.3374	6	8	12	17	25
151	6016	8.6780	4	5	8	11	14
152	7584	9.6548	3	5	8	12	18
153	3258	7.2477	3	5	7	9	11
154	49028	16.8492	5	8	12	20	33
155	7241	8.9488	3	5	8	11	15
156	4	8.2500	2	2	7	9	15
157	14927	6.8712	2	3	5	8	14
158	14939	3.3261	1	2	3	4	6
159	14368	6.8993	2	3	5	8	13

TABLE 7B - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V8.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
160	14897	3.8295	1	2	3	5	7
161	29308	4.7341	1	2	3	6	9
162	38901	2.4742	1	1	2	3	4
163	14	4.5000	1	2	3	7	7
164	4268	12.1706	6	8	10	14	20
165	2274	7.8329	4	6	7	9	12
166	2476	8.1349	3	5	7	10	14
167	2401	4.6910	3	3	4	6	8
168	2019	6.6082	1	2	3	8	15
169	2012	2.9687	1	1	2	3	6
170	11988	16.4155	3	7	12	20	34
171	1776	7.9150	2	4	6	10	16
172	29761	10.6534	2	4	7	13	22
173	4344	5.9542	1	2	4	7	12
174	137062	7.1046	2	4	6	8	13
175	28903	4.6809	2	3	4	6	8
176	11571	7.8993	3	4	6	9	15
177	17109	6.4070	2	3	5	8	11
178	7780	4.5897	2	3	4	6	8
179	7440	9.3815	3	4	7	11	18
180	57525	7.8354	2	4	6	9	15
181	24276	4.8601	2	3	4	6	9
182	238020	6.4327	2	3	5	8	12
183	86152	4.4140	1	2	4	6	8
184	59	4.8136	1	2	3	5	9
185	3663	6.2749	1	2	4	8	13
186	1	11.0000	11	11	11	11	11
187	1276	3.1129	1	1	2	4	7
188	40107	7.4901	2	3	5	9	15
189	11259	4.1148	1	1	3	5	8
190	119	5.0168	2	3	4	6	9
191	8823	21.1102	7	10	16	26	41
192	1264	11.2737	4	6	9	14	20
193	12685	17.2757	7	10	14	21	30
194	2219	11.3740	5	7	10	14	19
195	19800	12.9878	6	8	11	15	21
196	3393	9.0262	5	6	8	11	14
197	56590	10.2241	4	6	8	12	17
198	39818	6.0668	3	4	5	7	10
199	3045	15.0637	5	8	12	19	28
200	1802	15.0849	3	6	11	19	30
201	4884	13.0643	3	5	9	18	27
202	14559	9.8886	2	4	8	13	20
203	29108	9.7835	2	4	7	13	20
204	34262	8.0474	3	4	6	10	15
205	19082	9.4995	2	4	7	12	19
206	2932	5.4910	1	2	4	7	11
207	34765	7.3072	2	4	6	9	14
208	15430	4.3056	1	2	4	6	8
209	208726	11.9186	7	8	10	13	18
210	96854	14.5620	7	9	12	16	24

TABLE 7B - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
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DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
211	39260	10.8011	6	7	10	13	16
212	12	4.7500	2	3	4	5	7
213	5210	13.7052	3	6	10	16	27
214	29413	12.5481	5	7	10	15	23
215	34144	7.7603	3	5	7	9	13
216	5036	14.8056	2	5	11	19	32
217	11808	22.3665	3	8	15	29	48
218	13787	10.3273	3	5	8	12	19
219	17736	5.9987	2	3	5	7	11
220	6	7.6667	1	6	8	10	10
221	3781	10.1965	2	4	7	12	20
222	6437	5.3812	1	2	4	7	11
223	11254	4.7944	2	2	3	5	9
224	8365	3.2493	1	2	3	4	6
225	10316	5.4636	1	2	3	6	12
226	5204	9.6066	2	3	6	12	21
227	8115	3.9701	1	2	3	5	8
228	7190	3.7871	1	1	2	4	7
229	3640	2.6305	1	1	2	3	5
230	2674	6.7120	1	2	4	8	14
231	6851	6.2385	1	2	3	7	14
232	656	6.2500	1	2	3	8	16
233	5143	12.8050	3	5	9	16	25
234	4116	5.7636	1	2	4	7	11
235	6204	13.1675	2	4	8	14	31
236	38420	9.7033	2	4	7	11	18
237	1727	6.1002	1	3	5	7	11
238	5645	14.0925	4	7	10	17	29
239	56177	10.3141	3	5	8	12	20
240	10485	9.7925	3	4	7	12	19
241	4982	6.1052	2	3	5	8	11
242	2322	11.0444	3	5	8	14	24
243	118696	6.9027	1	3	5	9	13
244	10662	7.6461	2	3	6	9	14
245	6678	5.4741	1	2	4	7	10
246	1897	5.9968	2	3	4	7	11
247	9252	5.0638	1	2	4	6	10
248	6172	6.0744	2	3	5	7	12
249	5520	6.2087	1	2	4	7	13
250	3509	6.6404	1	2	4	8	12
251	4335	3.5213	1	1	2	4	7
253	15336	8.7299	2	3	6	10	17
254	15189	5.0753	1	2	4	6	10
255	2	10.5000	1	1	20	20	20
256	8761	5.5551	1	2	4	7	11
257	26011	6.0903	3	4	5	7	10
258	27809	4.4523	2	3	4	5	7
259	3279	6.9174	1	2	4	8	15
260	4107	3.1113	1	2	3	4	6
261	3339	2.9368	1	2	2	4	5
262	2173	2.7009	1	1	2	3	5

TABLE 7B - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V8.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
263	23499	22.9581	6	9	16	28	47
264	5246	12.8079	3	6	9	16	25
265	4708	9.9121	2	3	6	12	22
266	5200	4.4379	1	2	3	6	9
267	498	4.5643	1	2	3	5	9
268	1527	4.7839	1	1	2	5	10
269	9934	12.6872	2	4	9	16	26
270	5809	4.7841	1	2	3	6	10
271	18892	12.5667	3	6	9	14	23
272	6522	9.8120	3	5	7	11	19
273	2890	7.3474	2	3	5	9	15
274	3840	10.4857	2	4	7	13	22
275	575	5.2365	1	1	3	6	11
276	946	5.4135	1	2	4	7	10
277	59072	8.9141	3	5	7	11	16
278	28438	6.5103	3	4	5	8	11
279	8	4.2500	2	2	3	6	6
280	12234	6.8538	2	3	5	8	13
281	8643	4.4917	1	2	3	5	8
282	1	3.0000	3	3	3	3	3
283	5549	7.3957	2	3	5	9	14
284	2926	5.1251	1	2	4	6	9
285	3813	21.4167	6	9	16	26	42
286	1482	13.0684	5	7	9	15	25
287	5579	19.9656	5	8	13	23	42
288	458	11.6354	3	5	7	11	23
289	3564	6.2890	2	3	4	6	13
290	8969	3.9777	2	2	3	4	7
291	137	2.2190	1	1	2	3	4
292	4486	17.7864	4	7	13	21	35
293	649	8.3238	2	3	6	10	17
294	92373	7.5856	3	4	6	9	13
295	3057	6.0173	2	3	5	7	11
296	186659	8.6844	2	4	6	10	17
297	50928	5.5174	2	3	4	6	10
298	70	4.0571	1	2	3	4	9
299	885	6.8102	1	2	5	8	14
300	10670	9.6700	3	4	7	12	18
301	2522	5.8598	2	3	4	7	11
302	5484	17.5122	8	10	14	21	30
303	15819	14.3110	6	8	11	17	25
304	13745	13.9828	4	7	10	17	27
305	4740	7.1905	2	3	6	9	13
306	11347	9.6429	3	4	7	12	18
307	5508	5.0418	2	3	4	6	9
308	8218	9.9886	2	3	7	12	20
309	4525	4.5905	1	2	3	6	9
310	33305	5.9647	1	2	4	7	12
311	23988	3.0148	1	1	2	4	6
312	3697	5.7171	1	2	4	7	12
313	2629	3.1046	1	1	2	4	6

TABLE 7B - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V8.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
314	5	6.8000	1	1	6	10	12
315	25903	13.1128	2	3	8	16	29
316	37739	9.4864	2	4	7	12	19
317	1207	3.2338	1	1	2	4	6
318	6938	9.3583	2	3	6	12	20
319	1281	4.2326	1	1	3	5	9
320	141490	8.7220	3	5	7	10	15
321	33843	6.0948	2	4	5	7	10
322	50	5.2800	2	3	4	7	10
323	24055	4.1320	1	2	3	5	9
324	14001	2.7282	1	1	2	3	5
325	10118	6.2622	2	3	4	7	12
326	4824	3.9434	1	2	3	5	7
327	3	6.0000	4	4	6	8	8
328	1693	5.2209	1	2	4	7	10
329	497	3.0020	1	1	2	4	6
331	25860	7.6351	2	3	6	10	15
332	7850	4.4841	1	2	3	6	9
333	348	7.3333	1	3	5	10	17
334	12178	10.7633	6	7	9	12	17
335	8387	8.3668	5	7	8	10	12
336	97489	6.5715	3	4	5	7	12
337	97212	4.3133	2	3	4	5	8
338	9471	5.5191	1	1	2	7	14
339	4537	4.0395	1	1	2	4	9
340	1	2.0000	2	2	2	2	2
341	14790	4.6208	1	2	4	5	8
342	603	3.5058	1	1	2	4	8
344	3511	6.4754	2	3	5	8	12
345	1986	5.4220	1	2	4	6	11
346	6818	8.8141	2	3	6	11	18
347	1629	4.0284	1	1	2	5	9
348	4616	5.7832	1	2	4	7	12
349	2820	3.1141	1	1	2	4	6
350	8243	5.9550	2	3	5	7	10
351	1	1.0000	1	1	1	1	1
352	987	4.0405	1	2	3	5	8
353	2011	13.6574	5	7	10	16	25
354	7397	9.2028	4	5	7	10	15
355	6584	5.7729	4	4	5	7	8
356	31335	5.0660	3	3	5	6	8
357	6342	13.0927	5	7	10	16	24
358	16605	7.6858	4	5	6	8	12
359	25864	5.2735	3	4	5	6	7
360	4160	6.0995	1	2	4	7	12
361	342	5.3012	1	1	3	6	12
362	17	3.4118	1	1	2	3	5
363	4787	4.7869	1	2	3	5	9
364	3404	3.5717	1	1	2	4	7
365	3433	11.3999	3	4	8	14	24
366	5039	10.4076	2	3	7	13	23

TABLE 78 - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V8.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
367	1177	4.1317	1	1	3	5	9
368	1410	7.7071	3	4	6	9	14
369	2693	4.7768	1	2	3	6	10
370	459	8.2658	3	4	5	8	14
371	672	4.5417	3	4	4	5	8
372	301	3.9934	2	2	3	4	6
373	1943	2.6397	1	2	2	3	3
374	281	4.0569	2	2	3	3	5
375	5	5.0000	1	1	2	6	14
376	105	3.6476	1	2	2	4	6
377	35	5.3429	1	1	3	5	15
378	115	3.9826	2	3	4	5	6
379	254	2.9370	1	1	2	3	5
380	55	2.6364	1	1	2	2	5
381	256	2.0469	1	1	1	2	4
382	74	1.3649	1	1	1	1	2
383	738	4.4851	1	2	3	6	9
384	97	3.2784	1	1	2	3	6
385	3	4.3333	1	1	3	9	9
387	1	19.0000	19	19	19	19	19
389	30	7.9000	1	3	5	12	21
390	33	5.9394	1	2	5	8	13
392	2188	15.9903	5	8	11	19	32
393	2	4.5000	4	4	5	5	5
394	1995	10.7469	1	2	6	12	24
395	70518	6.4426	2	3	5	8	12
396	55	3.1273	1	1	2	4	6
397	10158	7.7528	2	3	6	9	15
398	12445	8.5241	3	4	7	10	16
399	2226	5.4452	1	2	4	7	10
400	7520	14.8270	3	6	10	18	31
401	6200	14.8874	3	6	11	19	21
402	3094	6.2392	1	2	4	8	13
403	24010	12.1828	2	5	9	15	25
404	6261	6.4360	1	2	5	8	13
406	3854	15.7807	4	7	12	20	31
407	1306	8.1018	2	4	6	10	14
408	8083	6.8651	1	2	4	7	16
409	7292	10.3038	2	4	6	14	23
410	135513	3.4781	1	2	3	4	6
411	300	4.4233	1	1	2	4	7
412	293	3.0853	1	1	2	4	6
413	9758	11.3219	2	4	8	14	24
414	2748	6.8297	1	2	5	8	14
415	23389	21.0983	5	9	15	26	42
416	110169	10.6672	2	5	8	13	20
417	32	7.7813	1	4	6	10	15
418	12033	8.6995	3	4	7	11	16
419	15250	7.7156	2	4	6	9	14
420	4165	5.7966	2	3	5	7	10
421	13533	5.6498	2	3	4	7	10

TABLE 7B - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V8.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
422	90	4.9556	1	2	4	7	10
423	6046	11.6181	3	5	8	14	23
424	2857	22.6496	2	8	16	27	45
425	16107	6.7955	2	3	5	8	13
426	7526	8.0868	2	3	6	10	17
427	1885	8.3724	2	3	6	10	18
428	1148	10.6037	2	3	7	12	21
429	28711	12.3349	3	4	7	13	23
430	56660	12.8464	3	5	9	16	26
431	285	9.3754	2	3	6	10	18
432	570	8.1649	1	2	4	8	18
433	4913	4.8099	1	2	3	6	11
434	21639	10.3184	2	4	7	14	24
435	20099	10.6101	2	4	7	15	27
439	1165	12.6627	1	3	8	16	29
440	6437	17.5277	3	5	11	22	39
441	1118	3.9275	1	1	2	4	8
442	45539	9.6606	1	2	6	12	22
443	13286	6.1894	1	2	4	8	13
444	3839	7.0534	2	3	5	8	13
445	2716	4.9249	1	2	4	6	9
446	1	4.0000	4	4	4	4	4
447	2873	3.6157	1	2	3	4	7
448	1	3.0000	3	3	3	3	3
449	29264	6.2987	1	3	4	7	12
450	9194	3.7590	1	1	3	4	7
451	15	5.5333	1	2	5	8	9
452	24815	7.1624	1	3	5	8	14
453	9009	4.3656	1	2	3	5	9
454	3476	7.5840	1	2	5	9	15
455	1230	3.9049	1	1	3	4	7
456	179	9.2402	1	1	4	9	24
457	151	6.4503	1	1	2	9	17
458	1695	23.0903	5	9	17	30	48
459	540	16.6500	3	6	11	21	36
460	2401	9.4827	2	4	7	11	18
461	6877	5.1141	1	1	2	4	12
462	6115	18.5756	5	8	15	25	35
463	9336	7.1450	2	3	5	8	14
464	3202	4.4375	1	2	3	5	9
465	726	3.2328	1	1	2	3	7
466	4398	4.9579	1	1	2	5	10
467	4341	4.7572	1	1	2	4	9
468	60880	19.3192	4	8	14	24	38
471	4781	16.4108	8	10	14	19	27
472	[illegible]	34.0050	2	14	27	47	66
473	8152	17.2798	2	4	10	26	42
475	61559	14.0593	2	6	11	18	28
476	10636	17.7119	7	10	14	21	30
477	39333	10.8137	1	3	7	14	22
478	66167	13.5080	3	6	10	16	27

TABLE 7B - MEDICARE PROSPECTIVE PAYMENT SYSTEM
SELECTED PERCENTILE LENGTHS OF STAY
FY89 MEDPAR UPDATE 12/89 GROUPER V8.0

DRG	NUMBER DISCHARGES	ARITHMETIC MEAN LOS	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE
479	19510	6.2240	1	3	5	8	12
480	24	39.5000	3	20	27	32	62
481	45	40.2444	10	22	40	53	73
482	3117	18.1132	5	8	13	21	35
483	23968	51.1270	15	25	40	63	98
484	232	26.3017	1	7	17	38	60
485	1411	18.7385	7	10	14	21	34
486	1965	19.4412	3	8	14	23	41
487	2486	11.4791	2	4	9	14	23
488	282	25.8333	7	12	19	30	47
489	1899	15.3560	3	5	10	19	31
490	538	8.5578	2	3	6	11	18

BILLING CODE 4120-03-C

TABLE 8.—STATEWIDE AVERAGE COST-TO-CHARGE RATIOS FOR URBAN AND RURAL HOSPITALS (CASE WEIGHTED)

State	Urban	Rural
Alabama	0.5126	0.5590
Alaska	0.6587	0.8433
Arizona	0.5963	0.6354
Arkansas	0.6155	0.6016
California	0.5719	0.5932
Colorado	0.6266	0.6753
Connecticut	0.7212	0.7823
Delaware	0.6393	0.6536
District of Columbia	0.5923	
Florida	0.5401	0.5357
Georgia	0.6071	0.5867
Hawaii	0.6116	0.7529
Idaho	0.7301	0.7311
Illinois	0.6010	0.6513
Indiana	0.7104	0.7324
Iowa	0.6576	0.7243
Kansas	0.6328	0.7425
Kentucky	0.6110	0.5979
Louisiana	0.6445	0.6735
Maine	0.7116	0.6832
Maryland	0.7727	0.7892
Massachusetts	0.6847	0.7914
Michigan	0.6206	0.6911
Minnesota	0.6985	0.7350
Mississippi	0.6225	0.6459
Missouri	0.5775	0.6067
Montana	0.6472	0.6988
Nebraska	0.6107	0.7165
Nevada	0.5225	0.7412
New Hampshire	0.7199	0.6975
New Jersey	0.7245	
New Mexico	0.6398	0.5918
New York	0.6703	0.7523
North Carolina	0.6939	0.6258
North Dakota	0.7515	0.6865
Ohio	0.6667	0.6830
Oklahoma	0.5930	0.6274
Oregon	0.6786	0.7078
Pennsylvania	0.5556	0.6099
Puerto Rico	0.5297	0.6691
Rhode Island	0.7699	
South Carolina	0.6000	0.5811
South Dakota	0.6339	0.6894
Tennessee	0.5799	0.6000
Texas	0.5869	0.6786
Utah	0.6664	0.7074
Vermont	0.6980	0.7126
Virginia	0.6150	0.6195
Washington	0.7170	0.7426
West Virginia	0.6301	0.5901
Wisconsin	0.7770	0.7854
Wyoming	0.7290	0.7953

TABLE 9.—SOLE COMMUNITY HOSPITAL-WEATHER DATA

NOAA Weather Station City/State	Average Annual Days of		
	Precipitation	Snow/Ice	Fog
Birmingham, AL (Municipal Airport)	116.4	0.6	8.5
Birmingham, AL (City Office)	115.0	0.6	N/A
Huntsville, AL	116.2	1.3	19.8
Mobile, AL	122.4	0.2	40.1
Montgomery, AL	107.6	0.2	21.8
Anchorage, AK	115.5	20.2	25.7
Annette, AK	224.7	15.8	15.2
Barrow, AK	77.4	6.7	59.8
Barter Island, AK	87.2	12.3	72.9
Bethel, AK	137.7	15.7	50.3
Bettles, AK	107.3	26.0	5.8
Big Delta, AK	91.8	16.7	9.6
Cold Bay, AK	223.1	20.6	22.2
Fairbanks, AK	106.0	21.4	18.5
Gulkana, AK	89.8	18.1	17.8
Homer, AK	145.3	20.4	9.0
Juneau, AK	220.5	26.8	21.3
King Salmon, AK	152.0	15.1	33.2
Kodiak, AK	193.7	22.5	12.5
Kotzebue, AK	106.6	15.3	18.4
McGrath, AK	136.5	28.2	13.0
Nome, AK	128.4	18.0	21.3
St. Paul Island, AK	206.6	18.0	57.5
Talkeetna, AK	136.8	34.0	4.2
Valdez, AK	197.8	56.8	17.8
Yakutat, AK	234.8	48.2	30.8
Flagstaff, AZ	81.4	22.1	11.4
Phoenix, AZ	35.8	0.0	1.6
Tucson, AZ	53.0	0.5	1.0
Winslow, AZ	54.6	4.1	4.3
Yuma, AZ	17.0	0.0	1.5
Fort Smith, AR	95.6	2.7	15.1
Little Rock, AR	103.3	2.0	15.9
North Little Rock, AR	106.6	2.8	23.3
Bakersfield, CA	37.0	<0.5	22.9
Bishop, CA	30.0	2.5	0.3
Blue Canyon, CA	90.4	39.9	67.1
Eureka, CA	117.8	0.1	50.1
Fresno, CA	45.0	0.1	39.7
Long Beach, CA	32.2	0.0	44.7
Los Angeles, CA (CA International Airport)	35.5	0.0	38.7
Los Angeles, CA (CA Civic Center)	35.7	0.0	16.8
Redding, CA	74.3	1.5	12.5
Sacramento, CA	57.9	<0.5	34.3
San Diego, CA	42.5	0.0	24.6
San Francisco, CA (CA International Airport)	62.4	<0.5	15.2
San Francisco, CA (CA Mission Dolores)	67.7	0.0	N/A
Santa Barbara, CA	31.4	0.0	19.3
Santa Maria, CA	46.1	0.0	86.7
Stockton, CA	51.8	0.0	43.0

TABLE 9.—SOLE COMMUNITY HOSPITAL-WEATHER DATA—Continued

NOAA Weather Station City/State	Average Annual Days of		
	Precipitation	Snow/Ice	Fog
Alamosa, CO	67.7	11.7	16.1
Colorado Springs, CO	89.8	12.3	21.1
Denver, CO	88.3	17.8	9.8
Grand Junction, CO	72.7	8.8	8.4
Pueblo, CO	69.6	9.5	8.2
Bridgeport, CT	116.8	7.4	29.5
Hartford, CT	126.5	12.6	28.7
Wilmington, DE	116.0	5.9	34.8
Washington, DC (National Airport)	111.4	4.7	10.5
Washington, DC (Dulles International Airport)	115.6	6.0	30.8
Apalachicola, FL	105.3	0.0	27.2
Daytona Beach, FL	114.2	0.0	28.2
Fort Myers, FL	112.2	0.0	20.5
Gainesville, FL	116.4	0.0	38.8
Jacksonville, FL	115.3	0.0	37.7
Key West, FL	108.9	0.0	1.0
Miami, FL	129.1	0.0	6.2
Orlando, FL	115.5	0.0	27.0
Pensacola, FL	109.6	0.1	35.3
Tallahassee, FL	115.8	0.0	50.0
Tampa, FL	106.8	0.0	21.9
Vero Beach, FL	121.2	0.0	14.8
West Palm Beach, FL	132.2	0.0	7.5
Athens, GA	109.9	0.9	38.8
Atlanta, GA	114.8	0.6	29.7
Augusta, GA	106.7	0.4	28.1
Columbus, GA	110.1	0.2	17.8
Macon, GA	110.1	0.4	24.5
Savannah, GA	110.9	0.1	39.2
Hilo, HI	278.3	0.0	0.0
Honolulu, HI	99.5	0.0	0.0
Kahului, HI	97.4	0.0	0.0
Lihue, HI	201.3	0.0	0.0
Boise, ID	90.7	7.8	19.6
Lewiston, ID	102.9	5.4	21.1
Pocatello, ID	96.0	14.4	16.6
Chicago, IL (O'Hare International Airport)	126.2	12.0	14.4
Moline, IL	113.4	9.8	17.7
Peoria, IL	113.2	8.2	21.3
Rockford, IL	116.8	11.3	22.3
Springfield, IL	113.4	7.6	17.3
Evansville, IN	115.2	4.3	13.8
Fort Wayne, IN	131.0	10.0	19.4
Indianapolis, IN	124.9	7.8	20.0
So Bend, IN	143.6	23.1	23.1
Des Moines, IA	106.5	10.4	17.4
Dubuque, IA	116.1	13.9	28.1
Sioux City, IA	98.4	10.0	18.7
Waterloo, IA	100.8	10.0	20.4
Concordia, KS	88.3	7.5	16.9
Dodge City, KS	78.0	6.3	23.5
Goodland, KS	76.5	11.9	27.8
Topeka, KS	96.0	6.9	14.4
Wichita, KS	85.7	4.9	16.9
Jackson, KY	138.4	7.1	62.4
Lexington, KY	129.5	5.4	19.1
Louisville, KY	123.8	4.8	8.6
Paducah, KY	106.6	4.6	17.4
Baton Rouge, LA	108.5	0.1	35.8
Lake Charles, LA	100.0	0.1	49.9
New Orleans, LA	113.9	0.1	28.0
Shreveport, LA	96.8	0.6	19.4
Caribou, ME	160.1	29.6	26.9
Portland, ME	127.9	17.6	48.9
Baltimore, MD	112.3	6.6	25.8
Boston, MA	126.1	10.8	23.3
Milton, MA (Blue Hill Observatory)	133.8	15.4	[1] N/A
Worcester, MA	130.9	17.0	83.8
Alpena, MI	147.0	25.9	27.5
Detroit, MI (Metro Airport)	135.1	13.4	20.4
Flint, MI	133.4	14.4	18.2
Grand Rapids, MI	144.2	23.3	25.6
Houghton Lake, MI	143.0	25.4	28.9
Lansing, MI	140.4	16.0	21.1
Marquette Co. Airport, MI	169.1	46.6	29.0
Muskegon, MI	144.0	31.1	22.5
Sault Ste Marie, MI	165.8	37.0	43.6
Duluth, MN	134.0	21.7	53.1

TABLE 9.—SOLE COMMUNITY HOSPITAL-WEATHER DATA—Continued

NOAA Weather Station City/State	Average Annual Days of		
	Precipitation	Snow/Ice	Fog
International Falls, MN	131.1	18.9	15.3
Minneapolis-St Paul, MN	114.2	14.9	10.8
Rochester, MN	117.8	14.5	32.3
Saint Cloud, MN	108.8	14.0	19.6
Jackson, MS	108.9	0.3	22.6
Meridian, MS	105.1	0.4	26.7
Tupelo, MS	103.3	1.9	18.1
Columbia, MO	110.4	7.7	22.3
Kansas City, MO (International Airport)	104.5	7.1	19.9
Kansas City, MO (Downtown Airport)	98.0	6.2	10.7
St. Louis, MO	110.5	6.4	11.6
Springfield, MO	107.9	5.4	20.6
Billings, MT	95.6	18.5	17.7
Glasgow, MT	89.5	8.9	13.1
Great Falls, MT	100.6	19.5	13.0
Helena, MT	95.4	14.1	8.0
Kalispell, MT	131.1	21.7	32.9
Miles City, MT	90.5	12.1	10.7
Missoula, MT	123.3	15.6	27.0
Grand Island, NE	86.4	9.4	17.4
Lincoln, NE	91.7	8.7	11.6
Norfolk, NE	90.2	9.9	13.7
North Platte, NE	83.7	9.1	18.4
Omaha, NE (Eppley Airfield)	98.1	9.5	15.5
Omaha, NE (North)	100.2	9.8	16.2
Scottsbluff, NE	86.1	13.1	10.2
Valentine, NE	82.7	10.2	5.4
Elko, NV	78.8	14.5	5.8
Ely, NV	73.6	16.0	2.4
Las Vegas, NV	26.3	0.4	0.7
Reno, NV	50.8	8.2	7.2
Winnemucca, NV	68.9	8.7	4.5
Concord, NH	124.9	17.7	49.8
Gorham, NH (Mt. Washington Observatory)	209.2	69.0	314.1
Atlantic City, NJ (Pomona)	111.6	4.6	43.7
Atlantic City, NJ (State Marina)	110.4	[1] N/A	[1] N/A
Newark, NJ	121.2	7.3	17.0
Albuquerque, NM	60.7	4.2	5.6
Clayton, NM	68.0	7.7	10.9
Roswell, NM	55.9	4.6	16.0
Albany, NY	134.1	15.9	22.1
Binghamton, NY	161.3	23.7	52.5
Buffalo, NY	168.4	26.6	18.4
Islip, NY	116.0	8.0	36.8
New York City, NY (Central Park)	120.6	8.0	0.0
New York City, NY (JFK International Airport)	117.6	6.9	30.6
New York City, NY (LaGuardia Field)	118.3	6.9	23.6
Rochester, NY	157.8	27.4	12.4
Syracuse, NY	169.7	33.2	8.5
Asheville, NC	123.1	4.5	78.9
Cape Hatteras, NC	119.0	0.6	15.2
Charlotte, NC	110.6	1.7	26.3
Greensboro, NC	115.9	2.6	32.6
Raleigh, NC	110.8	2.3	34.6
Wilmington, NC	116.3	0.6	24.5
Bismark, ND	96.3	12.8	11.5
Fargo, ND	99.4	11.6	12.5
Williston, ND	92.5	12.5	9.5
Akron, OH	153.8	15.0	26.1
Cincinnati, OH (Greater Cincinnati Airport)	126.4	7.2	24.4
Cleveland, OH	155.8	18.2	12.5
Columbus, OH	136.6	9.3	16.0
Dayton, OH	131.6	8.8	22.2
Mansfield, OH	141.6	14.4	29.4
Toledo, OH	136.4	11.9	17.5
Youngstown, OH	159.9	18.5	28.6
Oklahoma City, OK	81.9	3.1	19.4
Tulsa, OK	89.5	3.5	10.3
Astoria, OR	192.3	1.5	41.5
Eugene, OR	136.9	2.1	59.5
Medford, OR	101.2	2.6	49.7
Pendleton, OR	99.1	6.1	30.3
Portland, OR	152.4	2.2	33.5
Salem, OR	147.1	2.1	37.5
Sexton, Summit, OR	126.4	27.3	159.3
Allentown, PA	124.3	9.0	26.2
Avoca, Wilkes-Barre, Scranton, PA	138.9	13.1	22.7
Erie, PA	164.0	26.0	13.2

TABLE 9.—SOLE COMMUNITY HOSPITAL-WEATHER DATA—Continued

NOAA Weather Station City/State	Average Annual Days of		
	Precipitation	Snow/Ice	Fog
Harrisburg, PA	124.1	9.4	18.7
Philadelphia, PA	116.4	5.9	22.3
Pittsburgh, PA (Greater Pittsburgh Airport)	153.6	13.3	17.8
Williamsport, PA	140.8	12.0	37.2
San Juan, PR	195.3	0.0	0.0
Block Island, RI	110.1	6.4	78.8
Providence, RI	123.5	10.0	24.9
Charleston, SC	112.4	0.2	28.0
Columbia, SC	108.2	0.5	27.3
Greenville-Spartanburg, SC	116.7	1.9	34.0
Aberdeen, SD	86.7	11.4	18.3
Huron, SD	92.4	12.0	14.8
Rapid City, SD	95.6	12.4	16.0
Sioux Falls, SD	96.8	11.1	21.5
Briston, Johnson City, Kingsport, TN	132.8	5.0	44.0
Chattanooga, TN	119.7	1.8	34.1
Knoxville, TN	126.0	3.8	31.3
Memphis, TN	105.9	1.9	10.4
Nashville, TN	118.5	3.7	17.4
Oak Ridge, TN	127.2	3.4	33.7
Abilene, TX	65.9	1.9	7.2
Amarillo, TX	69.5	4.9	26.7
Austin, TX	83.2	0.4	23.1
Brownsville, TX	72.6	0.0	27.2
Corpus Christi, TX	76.6	0.1	29.1
Dallas-Fort Worth, TX	77.9	1.2	11.3
Del Rio, TX	61.8	0.3	14.5
El Paso, TX	48.1	1.8	2.2
Galveston, TX	95.9	<0.5	N/A
Houston, TX	104.5	0.3	31.7
Lubbock, TX	62.5	3.4	17.5
Midland-Odessa, TX	51.5	1.9	15.5
Port Arthur, TX	104.1	0.1	38.8
San Angelo, TX	58.3	1.2	7.4
San Antonio, TX	81.3	0.2	22.0
Victoria, TX	89.0	0.1	40.3
Waco, TX	77.7	0.6	13.3
Wichita Falls, TX	70.8	2.2	12.2
Milford, UT	67.5	15.0	6.7
Salt Lake City, UT	90.4	18.0	11.5
Burlington, VT	153.6	22.1	15.2
Lynchburg, VA	118.7	5.4	39.0
Norfolk, VA	114.5	2.1	20.6
Richmond, VA	112.5	3.9	27.6
Roanoke, VA	118.5	6.5	23.7
Olympia, WA	162.7	5.4	90.3
Quillayute Airport, WA	210.6	4.7	52.8
Seattle, WA (Seattle-Tacoma Airport)	155.8	4.0	43.6
Seattle, WA (Urban Climatology Station)	151.3	2.4	[1] N/A
Spokane, WA	113.0	17.2	48.7
Stampede Pass, WA	201.8	85.6	252.2
Yakima, WA	68.9	8.1	18.6
Berkley, WV	158.8	19.7	48.4
Charleston, WV	150.9	10.3	102.7
Elkins, WV	170.2	24.2	82.8
Huntington, WV	139.3	8.2	62.2
Green Bay, WI	120.7	14.7	24.5
La Crosse, WI	110.4	12.7	19.6
Madison, WI	118.6	12.9	22.1
Milwaukee, WI	125.0	13.5	26.2
Casper, WY	95.1	24.7	9.0
Cheyenne, WY	98.5	16.7	23.2
Lander, WY	71.7	24.3	4.0
Sheridan, WY	106.7	23.4	5.7

[1] N/A means not available.

Appendix A—Regulatory Impact Analysis

I. Introduction

Executive Order (E.O.) 12291 requires us to prepare and publish a regulatory impact analysis for any proposed rule that meets one of the E.O. 12291 criteria for a "major rule;" that is, a rule that would be likely to result in—

- An annual effect on the economy of $100 million or more;
- A major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or
- A significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

In addition, we generally prepare a regulatory flexibility analysis that is consistent with the Regulatory Flexibility Act

(RFA)(5 U.S.C. 601 through 612), unless the Secretary certifies that a proposed rule would not have a significant economic impact on a substantial number of small entities. For purposes of the RFA, we consider all hospitals to be small entities.

Also, section 1102(b) of the Act requires the Secretary to prepare a regulatory impact analysis for any proposed rule that would have a significant impact on the operations of a substantial number of small rural hospitals. Such an analysis must conform to the provisions of section 603 of the RFA. With the exception of hospitals located in certain rural counties adjacent to urban areas and hospitals located in certain New England counties, for purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital with fewer than 50 beds located outside of a Metropolitan Statistical Area or New England County Metropolitan Area. (Section 1886(d)(8)(B) of the Act specifies that hospitals located in certain rural counties adjacent to one or more urban areas are deemed to be located in an adjacent urban area. We have identified 54 rural hospitals, some of which may be considered small, that we have reclassified as urban hospitals. Also, section 601(g) of the Social Security Amendments of 1983 (Pub. L. 98–21) designated hospitals in certain New England counties as belonging to the adjacent New England Metropolitan County. Thus, for purposes of the prospective payment system, we also reclassified these hospitals as urban hospitals.)

It is clear that the changes being implemented in this document would affect both a substantial number of small rural hospitals as well as other classes of hospitals, and the effects on some may be significant. Therefore, the discussion below, in combination with the rest of this proposed rule, constitutes a combined regulatory impact analysis and regulatory flexibility analysis in accordance with E.O. 12291 and the RFA.

II. Objectives

We expect these proposed changes would further Congress' original objectives in establishing the prospective payment system. The prospective payment rates create incentives similar to the incentives a hospital faces in pricing and marketing its services in a conventional market. By paying similar hospitals the same rate for similar services, we let hospitals know in advance the amount they would be paid per discharge. We give them both an opportunity to receive this payment, regardless of their specific cost experience, and a strong incentive to operate more efficiently, thus minimizing unnecessary costs. Unlike a cost limitation approach, which achieves savings largely by disallowing Medicare payment for costs that are not reasonable or that are in excess of a specific limit, the prospective payment system achieves savings by intensifying hospitals' incentives to operate efficiently. Thus, our objectives include—

• Restructuring hospitals' economic incentives;

• Basing payment on a system that identifies the product being purchased more accurately than payment on a reasonable cost basis;

• Reinforcing the role of the Federal government as a prudent buyer of services; and

• Restraining the rate of hospital cost increases, thus moderating the flow of expenditures from the Medicare trust fund while maintaining high quality care.

In addition, we share national goals of deficit reduction and restraints on government spending in general. We believe these proposals would further all of our goals while maintaining the financial viability of the hospital industry and ensuring access to high quality care for beneficiaries.

We also expect that these proposed changes would further these objectives while avoiding or minimizing unintended adverse consequences and ensuring that the outcomes of this payment system are, in general, reasonable and equitable. Thus, our intent is to refine further the prospective payment system without undercutting our objectives.

III. Limitations of Our Analysis

As has been the case in previously published regulatory impact analyses, the following quantitative analysis is limited to presenting the projected effects of proposed policy and rate changes on current and projected payment rates. In the analysis that follows, we examine the effects of both statutory and proposed policy changes on hospital payments by projecting estimated payments under each set of policy changes onto the current payment amounts. That is, we project the effects of each policy change on payments while holding all other payment variables constant. Thus we are not attempting to predict behavioral responses to our proposed policy changes, and we are not accounting for changes in such exogenous variables as admissions, lengths of stay, or case mix.

In view of the difficulty we have in quantifying impacts and attributing causality, we believe that the approach we are taking in the specific impact discussions below is the most feasible one. Wherever possible, we have included quantitative representations of the changes being proposed in this document. As with previously published impact analyses, we are soliciting comments and information about the anticipated effects of these changes on the prospective payment system.

IV. Hospitals Included in and Excluded From the Prospective Payment System

In general, hospitals began operating under the prospective payment system with the start of their first cost reporting period beginning on or after October 1, 1983. Further, since September 1985, both Massachusetts and New York have terminated the waivers under which they were previously excluded from the Medicare prospective payment system, and hospitals in those States have entered the prospective payment system. (Massachusetts hospitals came under the Medicare prospective payment system in October 1985, while New York hospitals began receiving Medicare prospective payments in January 1986.) Effective January 1, 1989, the 94 short-term, acute care hospitals located in New Jersey came under the prospective payment system. The demonstration project being conducted in the Rochester region of New York State has ended and the 10 hospitals in that region are now under the prospective payment system.

With the enactment of section 9304 of Public Law 99–509, which added section 1886(d)(9) to the Act, the 58 acute care hospitals located in Puerto Rico began receiving payments under the prospective payment system effective with discharges occurring on or after October 1, 1987. Also, effective with cost reporting periods that began on or after October 1, 1987, alcohol/drug hospitals and units that had been excluded from the prospective payment system under § 412.22(c) of the regulations began receiving Medicare prospective payments. Thus, only 59 short-term, acute care hospitals remain excluded from the prospective payment system under section 1814(b)(3) of the Act (in Maryland) or demonstration projects (in the Finger Lakes regions of New York State). As of April 16, 1990, about 5,520 hospitals (85 percent of all Medicare-participating hospitals) were operating under the prospective payment system.

As of April 16, 1990, about 960 Medicare hospitals were excluded from the prospective payment system and continue to be paid on the basis of their reasonable cost, subject to limits on the rate of their cost increases. These hospitals include psychiatric, rehabilitation, long-term care, and children's hospitals. Another 1,720 psychiatric and rehabilitation units in hospitals subject to the prospective payment system were excluded from the prospective payment system as of the same date. These units, too, are paid on the basis of reasonable cost subject to limits on the rate of their cost increases. Although hospitals extensively involved either in the treatment of cancer or cancer research have been paid on a reasonable cost basis, section 6003(a) of Public Law 101–239 specifically excluded these hospitals from the prospective payment system effective with cost reporting periods beginning on or after October 1, 1989. There are currently eight hospitals that HCFA has designated as cancer research or treatment hospitals.

Over 1,160 hospitals are now paid on various special bases under the prospective payment system, as required by statute. They include sole community hospitals; Medicare-dependent, small rural hospitals; and rural referral centers. In addition, there are some 1,580 hospitals that are now receiving additional payments on the basis of being classified as disproportionate share hospitals. About 1,190 hospitals are receiving additional payments for the indirect cost of medical education. There are about 810 hospitals that qualify for additional payments under both the indirect medical education and disproportionate share payment provisions.

V. Impact on Excluded Hospitals and Units

As noted in the previous section, almost 960 Medicare hospitals and 1,720 units in hospitals included in the prospective payment system currently are paid on a reasonable cost basis subject to the rate-of-increase ceiling requirement of § 413.40. For cost reporting periods beginning in FY 1991,

these hospitals would have their individual target amounts increased by the percentage increase in the market basket applicable to excluded hospitals. We are projecting an increase in the hospital market basket of 5.3 percent.

The effect this would have on affected hospitals and units would vary depending on each hospital's or unit's existing relationship of costs per discharge to its target amount, and the relative gains in productivity (efficiency) the hospital or unit is able to achieve. For hospitals and units that incur per discharge costs lower than their target amounts, the primary impact would be on the level of incentive payments made under § 413.40(d). A hospital may receive incentive payments for incurring costs that are lower than its target amount, but may not receive payments for costs that exceed the target amount. We expect the increased ceiling on payment would maintain existing incentives for economy and efficiency experienced by excluded hospitals and units.

VI. Impact of Other Decisions and Regulations Changes

A. Sole Community Hospitals

In section V.B of the preamble we explain that section 6003(e) of Public Law 101-239 added a new section 1886(d)(5)(D)(iv) of the Act that directs the Secretary to establish criteria to determine whether a hospital should be classified as an SCH "because of the time required for an individual to travel to the nearest alternative source of appropriate inpatient care." We propose to use 45 minutes as the standard to determine SCH qualification under this provision.

Through the addition of this newly proposed SCH travel time criterion we would help ensure that Medicare beneficiaries continue to have access to necessary health care services. As a result of this additional qualifying criterion, we estimate that fewer than 50 additional hospitals would qualify for SCH status. We estimate that many of these hospitals will apply for SCH status.

B. Referral Centers

In section V.D of the preamble we explain that 42 CFR 412.96 is being revised to establish the procedures to be followed when a hospital elects to withdraw from its classification as a referral center and return to being classified as a hospital. Rural hospitals classified as referral centers are paid the other urban rate and rural hospitals are paid the rural rate. Since the other urban rate exceeds the rural rate, there currently exists no economic incentive for rural referral centers to withdraw from that classification. Therefore, we believe the effect of this revision would be negligible.

C. Indirect Medical Education

In section V.E of the preamble we explain that § 412.118 would be revised to change the currently used one-day method for counting interns and residents for indirect medical education payment purposes to one using a counting methodology similar to that used for computing graduate medical education payments. Because the one day count is assumed to be representative of the number of interns and residents working in the portion of the hospital subject to prospective payment or the outpatient department throughout the cost reporting period, we believe the impact of this revision for most hospitals would be negligible. There could be a significant impact on hospitals where the one day count is not representative of the average number of interns and residents working throughout the cost reporting period.

D. Offset For Physician Assistant Services

As discussed in section V.F. of the preamble, section 9338(d) of Public Law 99-509 allows the Secretary to reduce the amount of Medicare payments made to hospitals in order to eliminate estimated duplicate payments attributable to physician assistant services as described in section 1861(s)(2)(K)(i) of the Act.

We propose to amend the regulations at § 412.120 to require the hospital's intermediary to obtain the appropriate physician assistant billing data from the Part B carrier. The intermediary would calculate the amount to be offset from the hospital's payment based on the total physician assistant services performed on or after October 1, 1990 in portions of the hospital subject to the prospective payment system.

We anticipate that this proposed physician assistant offset for duplicate billings would result in the following savings:

TABLE I.—PROJECTED MEDICARE SAVINGS—OFFSET FOR PHYSICIAN ASSISTANT SERVICES (IN MILLIONS)*

FY 1991	FY 1992	FY 1993	FY 1994	FY 1995
$5	$10	$10	$10	$10

* (Rounded to the nearest 5 million dollars).

F. Effects on Sole Community Hospitals (SCHs) and Medicare-Dependent, Small Rural Hospitals (MDHs)

Section 6003(e) of Public Law 101-239 revised the payment methodology for hospitals classified as SCHs effective with hospital cost reporting periods beginning on or after April 1, 1990. As of that date, as provided in section 1886(d)(5)(D)(i) of the Act, SCHs will be paid based on whichever of the following rates yields the highest aggregate payment for the cost reporting period:

- The Federal rate applicable to the hospital;
- The updated hospital-specific rate based on FY 1982 cost per discharge; or
- The updated hospital-specific rate based on FY 1987 cost per discharge.

In a similar provision, section 6003(f) of Public Law 101-239, which added a new section 1886(d)(5)(G) of the Act, creates a new category of hospitals eligible for a special payment adjustment under the prospective payment system. The adjustment is limited to Medicare-dependent small rural hospitals and is effective for cost reporting periods beginning on or after April 1, 1990 and ending on or before March 31, 1993. Section 6003(f) of Public Law 101-239 provides Medicare-dependent small rural hospitals the same payment options afforded to sole community hospitals under section 6003(e) of Public Law 101-239. The criteria for being classified as a Medicare-dependent small rural hospital is discussed in the April 20, 1990 final rule with comment (55 FR 15154).

In our analysis, we assume that the fiscal year for every Medicare-dependent small rural hospital and sole community hospital is the same as the Federal fiscal year. To determine the effect of the proposed policy changes on these hospitals, we first compared payment amounts based on the hospital-specific rates (using the higher of the updated FY 1982 and FY 1987 base period costs) to the total projected amounts the hospitals would receive based on the proposed FY 1991 national standardized payment amount. We then compared the projected amounts the hospital would receive under the FY 1991 payment alternative that would yield the highest aggregate payments to the projected amounts the hospital would receive under the payment alternative that would yield the highest aggregate payments using payment rules that were effective April 1, 1990.

Below, we show percentages for each of the three payment methodologies provided for in the law, based on FY 1991 payment rules, which would produce the highest payment for each of the Medicare-dependent small rural hospitals for which we have cost report data.

- 23 percent of the identifiable Medicare-dependent, small rural hospitals will be paid a hospital-specific rate based on their FY 1982 cost reporting period.
- 20 percent of the hospitals will be paid a hospital-specific rate based on their FY 1987 cost reporting period.
- 57 percent of the hospitals will be paid the Federal national payment rate. This represents a 4 percentage point increase in the percentage of hospitals paid the Federal rate compared to those paid the Federal rate under the payment rules effective for cost reporting periods beginning April 1, 1990.

We made similar determinations for all sole community hospitals (including sole community hospitals that are also rural referral centers) concerning which method of payment would result in the highest payment for each hospital. Using the available cost report data, we determined that—

- 41 percent of all sole community hospitals will be paid a hospital-specific rate based on their FY 1982 cost reporting period;
- 26 percent of all sole community hospitals will be paid a hospital-specific rate based on their FY 1987 cost reporting period; and
- 33 percent will be paid the Federal national payment rate. This represents a 6 percentage point increase in the percentage of hospitals paid the Federal rate compared to those paid the Federal rate under the payment rules effective for cost reporting periods beginning April 1, 1990.

VII. Quantitative Impact Analysis of the Proposed Policy Changes on Prospective Payment Hospitals

A. Basis and Methodology of Estimates

The data used in developing the following quantitative analysis of changes in payments, presented in Table II below, are taken from

FY 1989 billing data and hospital-specific data for FY 1987 and FY 1988. As in previous analyses, we propose to compare the effects of changes being proposed in this document for FY 1991 to our estimate of the payment amounts in effect for FY 1990.

In addition, we have treated all hospitals in our data base as if they have cost reporting periods that coincide with the Federal fiscal year. By establishing the same cost reporting period for all hospitals, we can show the effect of policy changes on payments for comparable 12-month periods. Moreover, our analysis does not take into account any behavioral changes hospitals may adopt in response to the policy changes being proposed in this document.

The tables and the discussion that follow reflect our best effort to identify and quantify the effects of the changes being proposed in this document. It should be noted, however, that as a result of gaps in our data, we are unable to quantify some of the effects of the proposed rule. Also, we could not utilize all the hospitals in the recalibration or outlier data sets for modeling the impact analysis because in some cases the hospital-specific data necessary for constructing our impact model were missing. Data on hospital bed size and type of control were the data elements most frequently missing. The absent data prevented us from properly classifying and displaying these hospitals in the impact analysis. The missing data, however, did not prevent us from using the discharges from these hospitals in recalibrating the DRG weights or calculating the proposed outlier payments that are included in the final column of Table II showing the combined effects of all proposed changes.

Our ability to quantify the impacts of the proposed changes has been made more problematic this year by the need to account for the expanded inpatient hospital benefits available under the Medicare Catastrophic Coverage Act that are reflected in the FY 1989 billing data for discharges occurring on or after January 1, 1989. Since the expanded benefits were repealed effective for discharges occurring on or after January 1, 1990, we have removed an estimate of the additional outlier payments attributable to the catastrophic benefits from our baseline data before analyzing the impact of the proposed changes.

The following analysis examines separately the elimination of the regional floor and the rebasing and revising of the hospital market basket, wage index changes, and DRG reclassification and recalibration. That is, all variables except those associated with the provision under examination were held constant so as to display the effects of each provision compared to the baseline (FY 1989) provisions. In the last column (column V), we present the combined effect of all changes being proposed in this rule. That is, column V displays the combined effects of the previous four columns as well as the FY 1991 update factor and the updating of the outlier payment thresholds. As such, this last column is the only one in which the effects of all the quantifiable payment policy changes on simulated FY 1991 payments are reflected.

The following discussion is divided into two parts. The first part describes the individual effects of four major changes being proposed in this document: elimination of the regional floor; the rebasing and revising of the hospital market basket; the annual changes to the DRG classification system and recalibration of the DRG weights required under section 1886(d)(4)(C) of the Act; and replacement of the current wage index based on 1984 wage data with a wage index based on 1988 wage data discussed in section III.C. of the preamble. Column I–IV of Table II reflect the quantitative impact of each change by various categories of hospitals. The second section discusses the combined effect of all provisions being proposed in this rule and references column V of Table II.

TABLE II—IMPACT OF THE PROPOSED CHANGES IN THE PROSPECTIVE PAYMENT SYSTEM FOR FY 1991

	Number of hospitals[1]	Col. I, Elimination of regional floor	Col. II, Labor share change	Col. III, Wage index changes[2]	Col. IV, Reclassification and recalibration[3]	Col. V, all changes[4]
All Hospitals	5,548	−0.3	0.0	0.0	0.0	5.1
Urban by Region						
New England	178	−0.8	0.0	6.1	−0.3	10.3
Middle Atlantic	475	0.0	−0.2	1.5	0.5	7.1
South Atlantic	438	0.0	0.4	1.9	−0.2	7.5
East North Central	524	−1.0	0.0	−1.8	0.4	2.9
East South Central	173	−0.1	0.5	−0.7	0.1	5.2
West North Central	193	0.0	0.0	−4.3	0.3	1.3
West South Central	361	0.0	0.3	−2.6	0.6	3.6
Mountain	115	0.0	0.0	−0.4	0.2	5.1
Pacific	507	0.0	−0.5	0.0	−0.3	4.5
Puerto Rico	51	0.0	0.6	−6.6	−0.3	−1.1
Rural by Region						
New England	60	−1.0	0.1	3.5	−1.1	6.8
Middle Atlantic	90	−0.5	0.2	1.3	−0.7	5.6
South Atlantic	334	0.0	0.4	2.3	−0.9	7.1
East North Central	324	−0.7	0.2	−1.5	−1.0	2.3
East South Central	301	0.0	0.5	−0.5	−0.8	4.6
West North Central	574	0.0	0.2	−3.4	−1.1	1.0
West South Central	409	0.0	0.4	−1.5	−1.0	3.2
Mountain	248	0.0	0.1	0.3	−0.8	4.9
Pacific	158	0.0	−0.3	−1.5	−0.8	2.8
Puerto Rico	6	0.0	0.8	−11.8	−1.7	−7.7
Large Urban Areas (population over 1 million)	1,508	−0.3	−0.2	0.5	0.3	5.7
Other Urban Areas (population of 1 million or fewer)	1,525	−0.3	0.2	−0.5	0.0	4.8
Urban Hospitals	3,033	−0.3	0.0	0.1	0.2	5.3
0–99 Beds	663	−0.2	0.0	−0.6	−0.9	3.7
100–199 Beds	779	−0.2	0.0	0.3	−0.5	4.9
1200–299 Beds	596	−0.2	0.0	0.0	−0.1	5.0
300–399 Beds	642	−0.2	0.0	0.0	0.2	5.3
400 + Beds	292	−0.3	0.0	0.1	0.8	6.0
Rural Hospitals	2,515	−0.2	0.3	−0.4	−0.9	4.1
0–49 Beds	1,023	0.0	0.0	−1.1	−1.2	2.9
50–99 Beds	812	−0.2	0.0	−0.5	−1.2	3.5
100–149 Beds	363	−0.2	0.2	−0.4	−1.2	3.7
150–199 Beds	147	−0.3	0.4	0.0	−0.9	4.6
200 + Beds	147	−0.2	0.7	−0.1	−0.4	5.3
Teaching Status						
Nonteaching	4,358	−0.2	0.1	−0.1	−0.6	4.6
Resident/Bed Ratio Less than 0.25	963	−0.3	0.0	−0.3	0.2	5.0

TABLE II—IMPACT OF THE PROPOSED CHANGES IN THE PROSPECTIVE PAYMENT SYSTEM FOR FY 1991—Continued

	Number of hospitals[1]	Col. I, Elimination of regional floor	Col. II, Labor share change	Col. III, Wage index changes[2]	Col. IV, Reclassification and recalibration[3]	Col. V, all changes[4]
Resident/Bed Ratio 0.25 or Greater	227	−0.3	−0.2	1.0	1.2	7.1
Disproportionate Share Hospitals (DSH)						
Non-DSH	4,011	−0.3	0.1	−0.1	−0.2	4.7
Urban DSH						
100 Beds or More	1,147	−0.2	0.0	0.2	0.4	5.7
Fewer Than 100 Beds	71	0.0	0.2	−1.3	−0.6	3.5
Rural DSH						
100 Beds or More—not Rural Referral Centers or Sole Community Hospitals	81	−0.1	0.2	0.3	−0.9	4.8
Fewer Than 100 Beds not Rural Referral Centers or Sole Community Hospitals	169	0.0	0.2	0.1	−1.3	4.4
Sole Community Hospitals	34	−0.1	0.0	−0.3	−1.1	3.8
Rural Referral Centers and Sole Community Hospitals or Rural Referral Centers	35	0.0	0.9	0.2	0.0	6.5
Urban Teaching and DSH						
Both Teaching and DSH	606	−0.2	−0.1	0.1	0.7	5.9
Teaching only	501	−0.4	0.0	0.0	0.3	5.3
DSH only	612	−0.1	0.1	0.4	−0.4	5.3
Nonteaching and Non-DSH	1,314	−0.2	0.0	−0.1	−0.4	4.7
Other Special Status (rural)						
Sole Community Hospitals (SCHs)	320	−0.1	0.0	−0.3	−1.1	[5] 3.8
Rural Referral Centers (RRCs)	214	−0.2	0.8	−0.3	−0.5	[5] 5.1
Sole Community and Rural Referral	27	−0.2	0.4	0.3	−0.5	[5] 5.2
Medicare-Dependent	575	0.0	0.0	−1.0	−1.2	[5] 3.1
Type of Ownership						
Voluntary	3,051	−0.3	0.0	0.0	0.1	[5] 5.1
Proprietary	873	0.0	0.1	0.2	−0.3	[5] 5.3
Government	1,532	−0.1	0.1	−0.1	−0.1	[5] 5.1
Medicare Utilization as Percent of Inpatient Days						
0–25	374	−0.1	−0.1	−0.7	0.9	[5] 5.3
25–50	2,932	−0.3	0.0	−0.1	0.1	[5] 5.1
50–65	1,695	−0.2	0.1	0.1	−0.4	[5] 4.9
Over 65	396	−0.1	0.1	1.1	−0.6	[5] 5.8

[1] Because data necessary to classify some hospitals by category were missing, some hospitals were omitted from the analysis. Therefore, the total number of hospitals in each category may not equal the national total.

[2] The proposed wage index constructed entirely from 1988 hourly wage data was compared to the current wage index which is based entirely on 1984 hourly wage data. The proposed wage index also reflects changes required by section 1884(d)(8)(C) of the Act concerning the redesignation of certain rural hospitals as urban.

[3] Recalibration of the DRG weights and classification changes are based on FY 1989 MEDPAR data and are performed annually in accordance with section 1886(d)(4)(C) of the Act.

[4] This column shows the combined effects of all the previous columns as well as the effects of updating the FY 1990 standardized payment amounts by the market basket increase as mandated by section 1886(b)(3)(B)(i) of the Act. For the comparative effects of updating the FY 1990 standardized amounts by the update factors we are proposing to recommend to the Congress as required by Section 1886(e)(4) of the Act, see Appendix D to this document. Also, FY 1990 baseline payments reflect an estimate of outlier payments at 5.0 percent in contrast to the 5.1 percent set for the outlier pool. These estimates of outlier payments contain an adjustment to remove the effects of the elimination of the day limitation on inpatient hospital services under Pub. L. 100-360. Because our total FY 1991 estimated payments do not perpetuate this 0.1 percentage point decrease in outlier payments relative to the outlier pool, this column reflects the 0.1 percent increase in total prospective payments necessary to ensure equality between projected outlier payments and the outlier offsets. In addition, this column captures interactive effects that we are not able to quantify.

[5] Including current law update factor.

B. Individual Effects

1. *Elimination of the regional floor.* Column I shows the effect of the elimination of the regional floor. Section 4002(d) of Public Law 100–203 amended section 1886(d)(1)(A)(iii) of the Act to establish a "regional floor" for the prospective payment rate applicable to a hospital effective for discharges occurring on or after April 1, 1988 and before October 1, 1990. In accordance with this section, hospital payments have been based on the greater of the national average standardized amount or the sum of 85 percent of the national average standardized amount and 15 percent of the average standardized amount for the Census region in which they are located. Because the statutory authority for use of the regional floor expires on October 1, 1990, we would discontinue its use effective with discharges occurring on or after October 1, 1990.

In FY 1990, the regional floor is applicable to urban hospitals located in New England, East North Central and East South Central census divisions and to rural hospitals located in the New England, Middle Atlantic, and East North Central census divisions. Therefore, the elimination of the regional floor would have an impact on these geographic areas only.

Nationally, the elimination of the regional floor would result in a 0.3 percent reduction in payments. It would result in a 0.3 percent reduction in payments to urban hospitals and a 0.2 percent reduction in payments to rural hospitals.

The effect on urban hospitals in affected geographic areas varies from a 1.0 percent reduction in payments to hospitals in the urban areas of the East North Central census division to a 0.1 percent reduction for urban hospitals in the East South Central census division.

The range for affected rural hospitals is from a 1.0 percent reduction in payments to hospitals in the rural areas of the New England census division to a 0.5 percent reduction for hospitals in the Middle Atlantic census division.

The 1.0 percent reduction in payment to hospitals in the East North Central urban census division and in the New England rural census division represents the largest reduction in payments across all hospital categories.

2. *Change in the labor/nonlabor shares of the hospital market basket.* Column II shows the effect of the change in the labor/nonlabor shares of the hospital market basket. As explained in section IV.B of the preamble, we are proposing to use a revised hospital input price index (that is, hospital market basket) in developing the FY 1991 update factor for the prospective payment rates. The market basket would be revised as follows:

• We would rebase to reflect 1987, rather than 1982, cost data.

• We would modify certain variables used as the price proxies for some of the cost categories.

In connection with the rebasing of the hospital input price index we have, under the authority of sections 1886(d)(2)(H) and (d)(3)(E) of the Act, re-estimated the labor-related share of the standardized amounts. Based on the cost weights described in Table 2 of section IV of the addendum to this rule, the labor-related share that is subject to hospital wage index adjustments (based on wages and salaries, employee benefits, professional fees, business services, computer and data processing, blood services, postage and all other labor-intensive services) is 71.41 percent and the non-labor-related share is 28.59 percent. Previously, the labor share was 74.39 percent and the non-labor share was 25.61 percent.

We have recomputed the standardized amounts based on the revised labor market share. Nationally, the labor share change has no effect on aggregate payments. Large urban areas, which tend to have a wage index value greater than 1.0, would experience a 0.2 percent reduction in payments. Other urban hospitals and rural hospitals would experience increases of 0.2 and 0.3 percent respectively.

The effect on hospitals in different urban areas varies from a 0.6 percent increase in payments for hospitals in the urban areas of Puerto Rico to a 0.5 percent reduction in payments for hospitals in the urban areas of the Pacific census division. This 0.5 percent reduction represents the largest decrease across all hospital categories. The labor share change will increase payments in three of the nine urban census divisions, have no significant effect in four census divisions, and decrease payments in two census divisions.

The effect of the labor share change on rural hospitals ranges from a 0.8 percent increase for hospitals in Puerto Rico to a 0.3 percent reduction in payments for hospitals in the Pacific census division. Eight of the nine rural census divisions would experience an increase in payments. Among rural hospitals, the increase in payments is concentrated in the larger bed size categories and among rural referral centers.

The largest increase in payments among all hospital categories is found in those disproportionate share hospitals classified as both rural referral centers and sole community hospitals or rural referral centers. These hospitals would experience an 0.9 percent increase in payments.

3. *Wage index.* Column III of table II displays the estimated effects of changes to the wage index being proposed in this proposed rule. As discussed in section III.B of this preamble, section 1886(d)(3)(E) of the Act, (as amended by section 6003(h)(6) of Public Law 101–239) requires that wage indexes be updated not later than October 1, 1990 and October 1, 1993 and at least every 12 months thereafter. Furthermore, we believe that the language of section 1886(d)(3)(E) of the Act (as amended by section 4004(a) of Public Law 100–203) requires that the FY 1991 wage index be based on new survey data.

Therefore, we propose to base the FY 1991 wage index entirely on the 1988 wage survey described under section III.B of this preamble. This wage index would reflect total hospital salaries and hours, excluding salaries and hours associated with skilled nursing facility or other non-hospital cost centers, and including home office salaries and hours, and fringe benefits for all included salaries. The exclusion of non-hospital costs and the inclusion of home office costs and fringe benefits represents a change from the FY 1990 hospital wage index.

Since wide swings were noted for some geographical areas between the current and the proposed area wage indexes, we are proposing to implement a 1-year phase-in of the updated wage index for FY 1991 by limiting the percentage change in the proposed wage index compared to the current wage index. As of FY 1992, the actual area wage index value would be used. As discussed in section III. F of this preamble, the phase-in provides that the effect of the change from the current wage index to the proposed wage index would be mitigated by a formula which uses a 10.00 percent change as the base and adds 50 percent of the remaining difference between the actual impact of the wage index and the 10.00 percent threshold to obtain the area wage index values for the affected areas.

Nationally, as a result of budget neutrality, the wage index change has no measurable effect on aggregate program payments. Overall, payments to large urban hospitals would increase by 0.5 percent. Payments to other urban hospitals and to rural hospitals would decrease by 0.5 percent and 0.4 percent, respectively.

The effect on hospitals in geographic areas varies from an average 6.1 percent increase in payments for hospitals in the urban areas of the New England census division to a 6.6 percent reduction in payments for hospitals in the urban areas of Puerto Rico. The 6.1 percent increase in payments to New England urban hospitals represents the largest increase across all hospital categories. Five of the nine urban census regions would experience reductions in payments.

The range for rural hospitals is from a 3.5 percent increase for hospitals located in the New England census division to a −11.8 percent impact on hospitals located in Puerto Rico. The 11.8 percent reduction in payments to Puerto Rico rural hospitals represents the largest percentage reduction across all hospital categories. Five of the nine rural census divisions would experience reductions in payment.

The effect on hospitals categorized by location and bed size varies. Urban hospitals have a range of −0.6 percent (0–99 beds) to 0.3 percent (100–199 beds). Two urban hospital bed size categories would have no change in payments (200–299 beds, 300–399 beds). All but one rural hospital bed size category would experience reductions in payments. The exception is the 150–200 beds classification where there would be no measurable effect on payments. The range for the effect on the remaining rural hospitals is from −0.1 percent (over 200 beds) to −1.1 percent (0–49 beds).

The effect on hospitals categorized by type of ownership varies from −0.1 percent for government owned hospitals to 0.2 percent for proprietary owned hospitals.

The range for the effect of the wage index change on hospitals categorized by Medicare utilization as a percent of inpatient days is from −0.7 percent for hospitals with Medicare utilization of 0–25 percent to +1.1 percent for hospitals with Medicare utilization of over 65 percent.

Rural hospitals that are sole community hospitals, rural referral centers, or Medicare dependent hospitals would experience reductions in payment. An exception is those hospitals classified as both sole community and rural referral centers which would experience an 0.3 percent increase in payments. The Medicare-dependent hospitals would experience a 1.0 percent reduction while rural referral centers and sole community hospitals would experience reductions of 0.3 percent in their payments.

4. *Revising the DRG classification system and recalibration of the DRG weights.* In Column IV, we present the combined effects of revising the current DRG definitions and recalibrating the weights to reflect changes in treatment patterns, technology and any other factors that may change the relative use of hospital resources as required each year by section 1886(d)(4)(C) of the Act. These changes are described in section II.B of the preamble to this proposed rule. In the following analysis, we compared estimated FY 1991 hospital payments using an estimate of each hospital's case-mix index based on the current DRG classifications and weighting factors to FY 1991 simulated payments using an estimate of each hospital's case-mix index based on the proposed DRG classifications and recalibrated weighting factors.

We are proposing to use the same basic methodology for the FY 1991 recalibration as we did for FY 1990. That is, we would recalibrate the weights based on charge data for Medicare discharges. However, we would use the most current charge information available, which is the FY 1989 MEDPAR file.

Section 6003(b) of Public Law 101–239 requires that reclassification and recalibration changes beginning with FY 1991 be made in a manner that assures that the aggregate payments are not greater or less then the aggregate payments that would have been made without the changes. Nationally, as a result of budget neutrality, the DRG recalibration change has no aggregate effect on program payments. The changes would increase payments to large urban hospitals by 0.3 percent, have no measurable effect on payments to other urban hospitals, and would reduce payments to rural hospitals by 0.9 percent.

The effect on hospitals in different geographic areas varies from an average 0.6 percent increase in payments for hospitals in the urban areas of the West South Central census division to a 0.3 percent reduction in payments for hospitals in the urban areas of the New England and Pacific census divisions and urban hospitals in Puerto Rico. Six of the nine urban census regions would experience an increase in payments.

In contrast, rural hospitals in the nine census divisions and Puerto Rico would all experience reductions in payment. These payment reductions range from 1.7 percent in Puerto Rico to 0.7 percent in the Middle Atlantic census division.

The −1.7 percent effect on Puerto Rico rural areas would represent the largest decrease payments due to DRG recalibration changes across all hospital categories. The larges increase in payments is found in those teaching hospitals with a resident/bed ratio of 0.25 or greater. These hospitals would experience a 1.2 percent increase in payments.

The effect on urban hospitals categorized by bed size varies from an average 0.8 percent increase in payments to hospitals with over 400 beds to a 0.9 percent reduction in payments to hospitals with 0–99 beds. There exists a positive relationship for urban hospitals between an increase in bed size and the recalibration change percentage.

All rural hospitals categorized by bed size would experience reductions in payments ranging from 0.4 to 1.2 percent. Rural hospitals with less than 149 beds would experience a 1.2 percent reduction in payments.

The effect on hospitals categorized by Medicare utilization as a percent of inpatient days varies from an average 0.9 percent increase in payments for hospitals with 0–25 percent Medicare utilization to a 0.6 percent reduction in payments for hospitals with over 65 percent Medicare utilization.

D. Combined Effects

Column V of Table II shows the FY 1991 rates that incorporate the combined effects of all the proposed changes we are able to quantify. In addition to the changes described in columns I, II, III, and IV, column V shows the effects of updating the FY 1990 standardized payment amounts by the market basket increase as mandated by section 1886(b)(3)(B)(i) of the Act. The market basket increase is currently estimated at 5.2 percent.

Because Column V combines the proposed FY 1991 payment rates and all other proposed changes, the effects displayed also include the payment offset for outlier payments required under section 1886(d)(5)(A) of the Act. Section 1886(d)(3)(B) of the Act requires that the urban and rural standardized amounts be separately reduced by the proportion of estimated total DRG payments attributable to estimated outlier payments for hospitals located in urban areas and those located in rural areas. Section 1886(d)(9)(B)(iv) of the Act requires that the urban and rural standardized amounts be reduced by the proportion of estimated total payments made to hospitals in Puerto Rico attributable to estimated outlier payments.

We are proposing to continue to set the outlier thresholds so as to result in estimated outlier payments equal to 5.1 percent of total prospective payments. The model that we use to determine the outlier thresholds necessary to target our desired outlier pool for FY 1991 employs FY 1989 charges. We are proposing to adjust that model to take into account the effect of changes in Medicare coverage for inpatient hospital services during FY 1989 that resulted from the enactment of the Catastrophic Coverage Act of 1988 (Pub. L. 100–360). These catastrophic coverage provisions were effective with discharges occurring on or after January 1, 1989 (the second quarter of FY 1989) and were repealed by the Medicare Catastrophic Coverage Act of 1989 (Pub. L. 101–234) effective for discharges occurring on or after January 1, 1990.

Nationally, the effects of all changes we are proposing are expected to result in a 5.1 percent payment increase. All categories of hospitals, with the exception of Puerto Rico urban and rural hospitals, as categorized by geographic region, would experience increases in payments. The percentage increases range between 1.0 and 10.3 percent.

The effect on hospitals in different urban areas varies from an average 10.3 percent increase in payments for hospitals in the urban areas of the New England census division to a 1.1 percent decrease in payments for hospitals in the urban areas of Puerto Rico. The 10.3 increase represents the largest increase across all hospital categories and is attributable to the wage index change. Similarly, the wage index change is the major factor in explaining the reduction in payments to Puerto Rico hospitals.

The effect of all changes on rural hospitals varies from hospitals in the South Atlantic census division that would receive an average 7.1 percent increase in payments to hospitals in the West North Central census division that would receive an average 1.0 percent increase in payments. However, rural hospitals in Puerto Rico would experience an average 7.7 percent reduction in payments. This 7.7 percent reduction represents the largest reduction across all hospital categories and is largely explained by the wage index change.

Urban hospitals as categorized by bed size would receive increases in payments ranging from 3.7 to 6.0 percent. As the number of beds increases, the percentage increase in payments becomes larger. The increase in payments to rural hospitals as categorized by bed size would range from 2.9 to 5.3 percent.

The increase in payments that would be experienced by hospitals categorized by type of ownership is near the national average, ranging from an average 5.1 increase in payments for government and voluntary hospitals to a 5.3 increase in payments for proprietary hospitals. Medicare dependent small rural hospitals would experience an average 3.1 percent increase in payments while hospitals that are both sole community and rural referral centers would experience an average 5.2 percent increase in payments.

We must point out that there are interactions that result from the combining of the various separate provisions analyzed in the previous columns that we are unable to isolate. Thus, the values appearing in column V do not represent merely the additive effects of the previous columns plus the update factors.

Table III presents the projected FY 1991 average payments per case for urban and rural hospitals and for the different categories of hospitals shown in Table II, and compares them to the average estimated per case payments for FY 1990. As such, this table presents the combined effects of the proposed changes presented in Table II in terms of the average dollar amounts paid per discharge. That is, the percentage change in average payments from FY 1990 to FY 1991 equals the percentage changes shown in the last column of Table II.

TABLE III—COMPARISON OF PAYMENT PER CASE

[FY 1991 Compared to FY 1990]

	Number of hospitals	Col. I average FY 1990 payment per case ($)	Col. II average FY 1991 payment per case ($)	Col. III percentage change*
All Hospitals	5,548	4,935	5,189	5.1
Urban by Region:				
New England	178	5,558	6,132	10.3
Middle Atlantic	475	5,845	6,262	7.1
South Atlantic	438	4,949	5,320	7.5
East North Central	524	5,274	5,428	2.9
East South Central	173	4,609	4,850	5.2
West North Central	193	5,417	5,488	1.3
West South Central	361	4,950	5,126	3.6
Mountain	115	5,356	5,629	5.1
Pacific	507	6,228	6,506	4.5
Puerto Rico	51	2,153	2,128	−1.1
Rural by Region:				
New England	60	4,030	4,304	6.8
Middle Atlantic	90	3,681	3,887	5.6

TABLE III—COMPARISON OF PAYMENT PER CASE—Continued

[FY 1991 Compared to FY 1990]

	Number of hospitals	Col. I average FY 1990 payment per case ($)	Col. II average FY 1991 payment per case ($)	Col. III percentage change*
South Atlantic	334	3,298	3,532	7.1
East North Central	324	3,315	3,391	2.3
East South Central	301	2,907	3,041	4.6
West North Central	574	3,124	3,154	1.0
West South Central	409	3,010	3,106	3.2
Mountain	248	3,536	3,709	4.9
Pacific	158	4,027	4,138	2.8
Puerto Rico	6	1,539	1,420	−7.7
Large Urban Areas:				
(populations over 1 million)	1,508	5,857	6,192	5.7
Other Urban Areas:				
(populations with 1 million or fewer)	1,525	4,893	5,130	4.8
Urban Hospitals:	3,033	5,384	5,670	5.3
0–99 Beds	663	4,053	4,202	3.7
100–199 Beds	779	4,615	4,841	4.9
200–299 Beds	596	5,008	5,257	5.0
300–399 Beds	642	5,444	5,731	5.3
400+ Beds	292	6,465	6,852	6.0
Rural Hospitals:	2,515	3,270	3,403	4.1
0–49 Beds	1,023	2,840	2,922	2.9
50–99 Beds	812	2,999	3,103	3.5
100–149 Beds	363	3,204	3,322	3.7
150–199 Beds	147	3,450	3,610	4.6
200+ Beds	147	3,817	4,018	5.3
Teaching Status:				
Nonteaching	4,358	4,136	4,328	4.6
Resident/Bed Ratio Less than 0.25	963	5,417	5,688	5.0
Resident/Bed Ratio 0.25 or Greater	227	8,136	8,717	7.1
Disproportionate Share Hospitals (DSH):				
Non-DSH	4,011	4,497	4,710	4.7
Urban DSH				
100 Beds or more	1,147	5,942	6,282	5.7
Fewer than 100 Beds	71	3,766	3,897	3.5
Rural DSH				
100 Beds or more				
Not Rural Referral Centers Or Sole Community Hospitals	81	2,953	3,095	4.8
Fewer Than 100 Beds				
Not Rural Referral Centers Or Sole Community Hospitals	169	2,606	2,720	4.4
Sole Community Hospitals	34	3,308	3,434	3.8
Rural Referral Centers and Sole Community or Rural Referral Centers	35	4,027	4,289	6.5
Urban Teaching and DSH:				
Both Teaching and DSH	606	6,570	6,955	5.9
Teaching only	501	5,546	5,840	5.3
DSH only	612	4,825	5,082	5.3
Nonteaching and Non-DSH	1,314	4,529	4,740	4.7
Other Special Status (rural):				
Sole Community Hospital	320	3,485	3,617	3.8
Rural Referral Center (RRC)	214	3,822	4,017	5.1
Sole Community and Rural Referral Center	27	4,179	4,394	5.2
Medicare-Dependent	575	2,910	2,999	3.1
Type of Ownership:				
Voluntary	3,051	5,105	5,367	5.1
Proprietary	873	4,456	4,693	5.3
Government	1,532	4,509	4,738	5.1
Medicare Utilization as Percent of Inpatient Days:				
0–25	374	6,582	6,929	5.3
25–50	2,932	5,147	5,411	5.1
50–65	1,695	4,359	4,573	4.9
Over 65	396	4,205	4,451	5.8

* Percentage changes shown in this column are taken from Table II, column V. Because the dollar amounts shown in this table are rounded to the nearest dollar, percentage changes computed on the basis of these amounts will differ slightly from those displayed in this column.

Appendix B—Data Sources Used to Estimate the Market Basket Relative Weights and Choice of Price Proxy Variables

As discussed in the preamble of this proposed rule, we are rebasing and revising the hospital market basket (market basket). This appendix describes the technical features of the 1987-based index that we are proposing in this rule. The differences between the proposed 1987-based market basket and the current 1982-based market basket are noted. In September 3, 1986 (at 51 FR 31461) we discussed the 1982-based hospital market basket.

We present this description of the market basket in three steps:

- A synopsis of the structural differences between the 1982-based index and the proposed 1987-based market basket.
- A description of the methodology used to develop the cost category weights in the 1987-based market basket, making note of the differences from the methodology used to develop the 1982-based market basket.

• A description of the data sources used to measure price inflation for each component of the 1987-based market basket, making note of the differences from the price proxies used in the 1982-based hospital market basket.

A. Synopsis of Structural Changes Adopted in the Rebased 1987 Hospital Market Basket

Three major structural differences exist between the 1982-based and the proposed 1987-based hospital market basket:

1. Separate Market Baskets are Proposed for Prospective Payment System and Excluded Hospitals

The 1982-based market basket cost category weights were derived from expenditure data gathered by the AHA Annual Survey for both prospective payment system (short-term acute care) and excluded (long term care, children's, rehabilitation and psychiatric hospitals). Although HCFA uses separate methodologies for paying prospective payment system and excluded hospitals, the 1982-based hospital market basket is used to update payments to both types of hospitals. We are proposing to use separate market baskets for prospective payment and excluded hospitals in order to recognize the differences between hospitals in the consumption of labor, goods, services and other inputs. As a result, the 1987-based prospective payment hospital market basket weights were derived from data pertaining exclusively to prospective payment hospitals. We have developed and propose to use a separate 1987-based excluded hospital market basket, whose weights were derived from data pertaining exclusively to excluded hospitals.

2. More Recent Hospital Expenditure Data Are Being Used in the Proposed Hospital Market Basket

The 1982-based market basket contained cost shares that were derived in part from the Annual Survey of the American Hospital Association (AHA) for 1982. The 1987-based market baskets use data from the 1988 AHA Annual Survey for 1987 costs.

3. New Hospital Types Were Included in the 1987-Based Prospective Payment Hospital Market Basket

In the 1982-based market basket, alcohol and substance-abuse facilities were considered excluded hospitals. Had HCFA used separate market baskets for prospective payment system and excluded hospitals at that time, alcohol and substance abuse facilities would have been updated according to the excluded index.

However, as provided for in the September 1, 1987 final rule, effective with cost reporting periods beginning on or after October 1, 1987, alcohol and substance-abuse hospitals were included for payment under the prospective payment system (52 FR 33043). Effective with cost reporting periods beginning on or after October 1, 1987, hospitals in Puerto Rico were also included for payment under the prospective payment system (52 FR 33043). Accordingly, the 1987 prospective payment system hospital market basket weights include both substance-abuse hospitals and hospitals in Puerto Rico.

B. Methodology for Developing the Cost Category Weights

Cost category weights for the 1987-based market basket were developed in four stages. First, base weights for the five main categories (Wages and Salaries, Employee Benefits, Professional Fees, Capital and All Other Items) were derived from the 1987 AHA Annual Survey. Second, the five main base weights were divided into subcategories using three major data sources:

• Cost shares derived from the 1987 AHA Hospital Administrative Services Survey.

• Projected cost shares from the 1985 AHA Annual Survey (for two of the categories not available in the 1987 Annual Survey).

• Residual cost shares were aged to 1987 using price changes.

When more recent U.S. Department of Commerce data for the residual cost shares becomes available, we will incorporate it into the above sources. Third, the cost category weights were assembled and sorted into their appropriate positions. Note that the contract nursing weight was removed from the All Other Items category and was split between the compensation categories (Wages and Salaries, Fringe Benefits). Finally, weights for the categories that are exempted from payment under the prospective payment system (residents, medical fees and capital) were removed and the remaining weights were renormalized to equal one hundred percent. Table 1, located at the end of this appendix, describes the process by which the prospective payment system market basket weights were developed. Below, we describe the source of the five main category weights and their subcategories in the 1987-based market basket. We make note of the differences between the methodologies used to develop the 1982-based and 1987-based market baskets.

1. *Wages and Salaries:* The wages and salaries cost category is one of the five base weights derived from the 1987 AHA Annual Survey. This cost category was disaggregated into nine occupational subcategories (professional and technical, managers and administration, sales, clerical, craft and kindred, operatives excluding transport, transport equipment operatives, non-farm laborers and service workers) to reflect the mix of labor inputs used by hospitals. The 1982-based market basket used a survey conducted by the U.S. Census Bureau of employment in the hospital industry as published in the 1980 Census of Population, Subject Report, Occupation by Industry in May 1984 to develop the nine occupational weights. In the 1987-based market basket the occupational subcategory weights for wages and salaries were developed from the 1987 Current Population Survey.

2. *Fringe Benefits:* The fringe benefits cost category is one of the five base weights derived from the 1987 AHA Annual Survey. Like wages and salaries, the fringe benefit weight in the 1987-based market basket is a composite of nine labor subcategories. The fringe benefits category in the 1982-based market basket was not a composite of labor inputs.

3. *Professional Fees:* The professional fees cost category was derived from the 1987 AHA Annual Survey. It was split into the subcategories medical and other fees using data derived from the American Medical Association. Medical fees is one of the subcategories that was excluded from the hospital market basket.

4. *Utilities:* Until 1985, the AHA Annual Survey showed utilities as a separate cost category. The 1987-based market basket weight for utilities was derived by extrapolating the 1985 AHA Annual Survey utilities cost weight forward to 1987 using the rate of growth in the HAS Monitrend cost weight for utilities between 1985 and 1987. The 1982-based market basket cost weight for utilities was derived from the AHA survey. Subcategories for the utilities category (fuel oil, coal, and electricity; natural gas; motor gasoline; and water and sewerage) were derived by applying relative shares (price adjusted) from the Bureau of Economic Analysis' Input-Output structure for hospital industry.

5. *Professional Liability Insurance:* Both the 1982-based and 1987-based market baskets have weights for professional liability insurance that were derived from the HAS/Monitrend surveys. Specifically, weights for the 1987-based market basket were derived from the June 30 and December 31, 1987 HAS/Monitrend surveys. The data were adjusted to make it more representative of the universe of hospitals.

6. *All Other Goods and Services:* The all other goods and services category has more subcategories than any other market basket category. Goods found in this category include: direct service food, contract service food, pharmaceuticals, chemicals, medical instruments, photo supplies, rubber and plastics, paper products, apparel, machinery and equipment and miscellaneous products. Services found in this category include: business services, computer services, transportation and shipping, telephone, blood services, postage, other labor intensive services and other non-labor intensive services. With the exception of direct service food and pharmaceuticals, relative shares from the 1982 BEA market basket were aged forward to 1987 and used to divide the all other goods and services category into its subcategories. When more recent data from the U.S. Department of Commerce becomes available for these categories, it will be integrated into the proposed market basket. The weights for direct service food and pharmaceuticals were derived from the June 30 and December 31, 1987 HAS/Monitrend surveys.

C. Price Proxies Used to Measure Cost Category Growth

1. *Wages and Salaries:* For measuring price growth in the 1987-based market basket, ten price proxies are applied to the nine occupational subcategories within the wages and salaries component. The professional and technical subcategory was split in half. Against one half of the professional and technical subcomponent an Employee Cost Index (ECI) for hourly wages and salaries paid to civilian hospital employees was applied. Against the other half of the professional and technical component an ECI of hourly wages and salaries paid to

professional and technical workers in private industry was applied. The 1982-based market basket used Average Hourly Earnings (AHE) for private hospital workers as a measure of price growth instead of the ECI for civilian hospital workers for the internal 50 percent of the weight. The other eight occupational subcategories of the wages and salaries component received ECI for wages and salaries for private industry workers in their respective occupational categories. Table 2 at the end of this appendix describes the wages and salaries component of the market basket.

2. *Employee Benefits:* The 1987-based hospital market basket uses occupational-specific ECIs for employee benefits. The distribution of weights and price proxies is the same as for wages and salaries discussed above. The components are summed into a composite index. This process is described more fully in the preamble of this proposed rule. The employee benefits composite of the 1982-based market basket used U.S. Department of Commerce economy-wide employe benefits per worker as an indicator of employee benefit cost pressure.

3. *Non-Medical Professional Fees:* The ECI for wages and salaries to employees in professional and technical workers in private industry is applied to this category. The same price measure was used in the 1982-based market basket.

4. *Fuel Oil, Coal, and Other Fuel:* The percentage change in the price of middle distillates as measured by the Producer Price Index (PPI) (Commodity Code #0573) was applied to this component. The same price measure was used in the 1982-based market basket.

5. *Electricity:* The percentage change in the price of industrial power, 500 kw-demand, as measured by the PPI (Commodity Code #0543) was applied to this component. The same price measure was used in the 1982-based market basket.

6. *Natural Gas:* The percentage change in the price of gas fuels as measured by the PPI (Commodity Code #0531) was applied to this component. The same price measure was used in the 1982-based market basket.

7. *Motor Gasoline:* The percentage change in the price of gasoline as measured by the PPI (Commodity Code #0571) was applied to this component. The same price measure was used in the 1982-based market basket.

8. *Water and Sewerage:* The percentage change in the price of water and sewerage maintenance as measured by the Consumer Price Index (CPI) for all urban consumers was applied to this component. The same price measure was used in the 1982-based market basket.

9. *Professional Liability Insurance:* The percentage change in the professional liability insurance price as estimated by the Insurance Services Office was applied to this component. The same price measure was used in the 1982-based market basket.

10. *Pharmaceuticals:* The percentage change in the price of ethical preparations as measured by the PPI (Commodity Code #0635) was applied to this variable. The same price measure was used in the 1982-based market basket.

11. *Food, Direct Purchases:* The percentage change in the price of processed foods and feeds as measured by the PPI (Commodity Code #02) was applied to this component. The same price measured was used in the 1982-based market basket.

12. *Food, Contract Services:* The percentage change in the price of food purchased away from home as measured by the CPI for all urban consumers (Commodity Code #19) was applied to this component. The same price measure was used in the 1982-based market basket.

13. *Chemical and Cleaning Products:* The percentage change in the price of industrial chemical products as measured by the PPI (Commodity Code #061) was applied to this component. The same price measure was used in the 1982-based market basket.

14. *Surgical and Medical Equipment:* The percentage change in the price of medical and surgical instruments as measured by the PPI (Commodity Code #1562) was applied to this component. The same price measure was used in the 1982-based market basket.

15. *Photographic Supplies:* The percentage change in the price of photographic supplies as measured by the PPI (Commodity Code #1542) was applied to this component. The same price measure was used in the 1982-based market basket.

16. *Rubber and Plastics:* The percentage change in the price of rubber and plastic products as measured by the PPI (Commodity Code #07) was applied to this component. The same price measure was used in the 1982-based market basket.

17. *Paper Products:* The weighted average of the percentage change in the price of converted paper and paperboard products as measured by the PPI (Commodity Code #0915 (59.9 percent)) and the percentage change in the price of paper excluding newsprint and packaging paper (Commodity Code #091301 (40.1 percent)) was applied to this component. The same price measure was used in the 1982-based market basket.

18. *Apparel:* The percentage change in the price of textile house furnishings as measured by the PPI (Commodity Code #382) was applied to this component. The same price measure was used in the 1982-based market basket.

19. *Minor Machinery and Equipment:* The percentage change in the price of machinery and equipment as measured by the PPI (Commodity Code #11) was applied to this component. The same price measure was used in the 1982-based market basket.

20. *Miscellaneous Products:* The percentage change in the price of all finished goods as measured by the PPI was applied to this component. The same price measure was used in the 1982-based market basket.

21. *Business Services:* The percentage change in the AHEs of employees engaged in the business services industry as measured by the Bureau of Labor Statistics (SIC Code #73) was applied to this component. The same price measure was used in the 1982-based market basket.

22. *Computer and Data Processing Services:* The percentage change in the AHE of employees engaged in firms furnishing computer data processing services (SIC Code #737) was applied to this component. The same price measure was used in the 1982-based market basket.

23. *Transportation and Shipping:* The percentage change in the transportation component of the CPI for all urban consumers was applied to this component. The same price measure was used in the 1982-based market basket.

24. *Telephone:* The percentage change in the price of telephone services as measured by the CPI for all urban consumers was applied to this component. The same price measure was used in the 1982-based market basket.

25. *Blood Services:* The percentage change in the price of providing blood and related biologicals as measured by the PPI (Commodity Code #063711) was applied to this component. The same price measure was used in the 1982-based market basket.

26. *Postage:* The percentage change in the price of postage as measured by the CPI for all urban consumers was applied to this component. The same price measure was used in the 1982-based market basket.

27. *All Other Services, Labor Intensive:* The percentage change in the ECI for wages and salaries paid to service workers employed in private industry was applied to this component. The same price measure was used in the 1982-based market basket.

28. *All Other Services, Non-Labor Intensive:* The percentage change in the all-items component of the CPI for all urban consumers was applied to this component. The same price measure was used in the 1982-based market basket.

For further discussion of the rationale for why these price proxies were chosen, the reader is referred to the September 2, 1986 **Federal Register** (51 FR 31582).

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Appendix Table 1—DEVELOPING MARKET BASKET WEIGHTS AND COST CATEGORIES

STEP ONE: BASE WEIGHTS ARE TAKEN FROM THE 1987 AHA ANNUAL SURVEY	STEP TWO: ALTERNATIVE DATA SOURCES ARE USED TO ESTIMATE WEIGHTS FOR CERTAIN COMPONENTS	STEP TWO: 1982 SHARES ARE AGED TO 1987 AND USED TO DISAGGREGATE OTHER CATEGORIES (1)	STEP THREE: CONTRACT NURSING IS SHIFTED FROM ALL OTHER INTO THE WAGES AND BENEFITS	STEP THREE: COMPONENTS ARE ASSEMBLED INTO A COMPLETE INPUT PRICE INDEX	STEP FOUR: REGULATION CATEGORY WEIGHTS ARE SELECTED AND RENORMALIZED TO EQUAL 100% (2)
1. Wages & Saleries-	------------------>	------------------>	------------------>	1. Wages & Saleries-	1. Wages & Saleries
1a) Residents	------------------>	------------------>	------------------>	1a) Residents	---------|
1b) All Other	------------------>	------------------>	------------------>	1b) All Other	1b) All Other
			----->1c) Contr. Nurs.	1c) Contr. Nurs.	1c) Contr. Nurs.
2. Employee Benefits	------------------>	------------------>	------------------>	2. Employee Benefits	2. Employee Benefits
			----->2a) Contr. Nurs.	2a) Contr. Nurs.	2a) Contr. Nurs.
				2b) All Other	2b) All Other
3. Professional Fees	------------------>	------------------>	------------------>	3. Professional Fees	3. Professional Fees
		3a) Medical Fees	------------------>	3a) Medical Fees	--------->|
		3b) Other Fees	------------------>	3b) Other Fees	3b) Other Fees
4. Capital	------------------>	------------------>	------------------>	4. Capital	---------|
4a) Depreciation	------------------>	4a1)Fixed Depre.	------------------>	4a1)Fixed Depre.	---------|
4b) Interest	------------------>	4a2)Other Depre.	------------------>	4a2)Other Depre.	---------|
		4b) Interest	------------------>	4b) Interest	---------|
		4c) Other	------------------>	4c) Other	---------|
5A. All Other (AHA)	5A. All other (AHA)	-----	-----	-----	
	5a)Malpractice(3)				
	5b)Energy (3)	5b) Utilities (4)	------------------>	5b) Utilities	5b) Utilities
	5c)Food (3)	5b1) Fuel/Oil/Etc	------------------>	5b1) Fuel/Oil/Etc	5b1) Fuel/Oil/Etc
	5d)Cont. Nurs.(3)	5b2) Electricity	------------------>	5b2) Electricity	5b2) Electricity
	5d)Pharmacy (3)	5b3) Natural Gas	------------------>	5b3) Natural Gas	5b3) Natural Gas
	5e)Residual	5b4) Motor Gas	------------------>	5b4) Motor Gas	5b4) Motor Gas
		5b5) Water/Sewer	------------------>	5b5) Water/Sewer	5b5) Water/Sewer
		5c) Malpractice	------------------>	5c) Malpractice	5c) Malpractice
		5d) All Other	------------------>	5d) All Other	5d) All Other
		5d1) Contr. Nurs------			
		5d2) Food Direct	------------------>	5d2) Food Direct	5d2) Food Direct
		5d3) Food Service	------------------>	5d3) Food Service	5d3) Food Service
		5d4) Pharmacy	------------------>	5d4) Pharmacy	5d4) Pharmacy
		5d5) Chemicals	------------------>	5d5) Chemicals	5d5) Chemicals
		5d6) Med. Instru.	------------------>	5d6) Med. Instru.	5d6) Med. Instru.
		5d7) Photo Sup.	------------------>	5d7) Photo Sup.	5d7) Photo Sup.
		5d8) Rubber/Plas.	------------------>	5d8) Rubber/Plas.	5d8) Rubber/Plas.
		5d9) Paper Prod.	------------------>	5d9) Paper Prod.	5d9) Paper Prod.
		5d10) Apparel	------------------>	5d10) Apparel	5d10) Apparel
		5d11) Mach./Equip.	------------------>	5d11) Mach./Equip.	5d11) Mach./Equip.
		5d12) Misc Prod.	------------------>	5d12) Misc Prod.	5d12) Misc Prod.
		5d13) Bus. Svcs.	------------------>	5d13) Bus. Svcs.	5d13) Bus. Svcs.
		5d14) Compu. Svcs	------------------>	5d14) Compu. Svcs	5d14) Compu. Svcs
		5d15) Trans/Ship.	------------------>	5d15) Trans/Ship.	5d15) Trans/Ship.
		5d16) Telephone	------------------>	5d16) Telephone	5d16) Telephone
		5d17) Blood Svcs	------------------>	5d17) Blood Svcs	5d17) Blood Svcs
		5d18) Postage	------------------>	5d18) Postage	5d18) Postage
		5d19) Other Labor	------------------>	5d19) Other Labor	5d19) Other Labor
		5d20) Oth nonLabor	------------------>	5d20) Oth nonLabor	5d20) Oth nonLabor

NOTES:

1) The relative shares are taken from the 1982 based index and aged forward to 1987. When the updated BEA Input/Output matrix is released, the 1987 relative shares will be replaced.

2) Current regulations exclude Residents, Medical Fees and capital from the index.

3) AHA Monitrend median values are used to estimate malpractice, food and pharmacy weights. Contract Nursing and energy values are extrapolated from the 1985 AHA Annual Survey.

4) Water and Sewer is removed from the "All Other" residual category and added to energy to form Utilities.

LEGEND:

---- : Disaggregated into components.

----> :Continued in the next phase.

----| :Not Continued in the next phase.

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APPENDIX TABLE 2.—HCFA BLENDED WAGES AND SALARIES INDEX

Wage and salaries component of the 1987-based market basket	Price proxy
(1) Professional and Technical.	Equal blend of ECI wages and salaries for civilian hospital workers and ECI for wages and salaries of professional specialty and technical workers.
(2) Managers and Administrators.	ECI for wages and salaries for executive, administrative and managerial workers.
(3) Sales	ECI for wages and salaries for sales workers.
(4) Clerical workers	ECI for wages and salaries for administrative support including clerical workers.
(5) Craft and kindred	ECI for wages and salaries for precision production, craft and repair workers.
(6) Operatives except transport.	ECI for wages and salaries for machine operators, assemblers and inspectors.
(7) Transport equipment operatives.	ECI for wages and salaries for transportation and material moving workers.
(8) Non-farm laborers.	ECI for wages and salaries for handlers, equipment cleaners, helpers and laborers.
(9) Service workers	ECI wages and salaries for service occupations.
Total wages and salaries.	Total weight for wages and salaries is 52.2.

March 1, 1990.

The Honorable Thomas S. Foley,
Speaker of the House of Representatives, Washington, DC 20515

Dear Mr. Speaker: Section 1886(e)(3)(B) of the Social Security Act requires that the Secretary of Health and Human Services, not later than March 1, 1990, report to the Congress his initial estimate of the applicable percentage increase for FY 1991 that he will recommend for hospitals subject to the Medicare prospective payment system (PPS) and for excluded hospitals. This submission constitutes the required report.

President Bush's budget contained a proposal that hospitals receive an average update for FY 1991 of 4.1 percent, which is equal to the hospital market basket rate of increase (projected in the budget at 5.6 percent) less 1.5 percentage points. Because of the significant changes to PPS payments resulting from enactment of the Omnibus Budget Reconciliation Act of 1989, we are deferring a specific recommendation on the differential update for hospitals in rural areas, large urban areas, and other urban areas until we can better assess the impact of those changes on these groups of hospitals.

We continue to believe, as we indicated in our report submitted last year, that we would act to modestly restrain the growth in Medicare payments to hospitals in order to prevent uncontrolled growth in Medicare expenditures.

Section 1886(d)(4)(C)(iv) of the Social Security Act, as enacted by section 6003(b)(2) of the Omnibus Budget Reconciliation Act of 1989, requires that the Secretary include in his report recommendations with respect to adjustments to the diagnoses-related group (DRG) weighing factors. At this time, we do not anticipate recommending any adjustment to the DRG weighing factors for FY 1991.

Our recommendation for the updates is contingent on current projections of relevant data. We have not had the opportunity to evaluate fully the recommendations of the Prospective Payment Assessment Commission (ProPAC). A final recommendation on the appropriate percentage increases for FY 1991 will be made nearer the beginning of the new Federal fiscal year. The final recommendation will incorporate our analysis of the latest estimates of all relevant factors, including ProPAC's recommendations.

My staff and I look forward to discussing this recommendation with you.

Sincerely,

Louis W. Sullivan, M.D.,
Secretary.

March 1, 1990.

The Honorable Dan Quayle,
President of the Senate, Washington, DC 20510

Dear Mr. President: Section 1886(e)(3)(B) of the Social Security Act requires that the Secretary of Health and Human Services, not later than March 1, 1990, report to the Congress his intial estimate of the applicable percentage increase for FY 1991 that he will recommend for hospitals subject to the Medicare perspective payment system (PPS) and for excluded hospitals. This submission constitutes the required report.

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My staff and I look forward to discussing this recommendation with you.

Sincerely,

Louis W. Sullivan, M.D.,
Secretary.

Appendix D—Recommendation of Update Factors for Rates of Payment for Inpatient Hospital Services

I. Background

Several provisions of the Social Security Act (the Act) apply to setting update factors for services furnished in FY 1991 by hospitals subject to the prospective payment system and those excluded from the prospective payment system. Section 1886(b)(3)(B)(i) of the Act, sets the FY 1991 applicable percentage increases for prospective payment hospitals for FY 1991 as the market basket percentage increase for all hospitals in all areas. Section 1886(b)(3)(B) of the Act also governs the target rate-of-increase limits for hospitals excluded from the prospective payment system. Therefore, in accordance with section 1886(d)(3)(A) of the Act, we are proposing to update the average standardized amounts and the target rate-of-increase limits for hospitals excluded from the prospective payment system as provided for in section 1886(b)(3)(B) of the Act, as set forth above.

Section 1886(e)(3)(A) of the Act requires that the Prospective Payment Assessment Commission (ProPAC) recommend to the Secretary by March 1, 1990 an update factor that takes into account changes in the market basket index, hospital productivity, technological and scientific advances, the quality of health care provided in hospitals, and long-term cost effectiveness in the provision of inpatient hospital services.

In its March 1, 1990 report, ProPAC recommended that prospective payment update factors on average equal the percentage increase in ProPAC's market basket minus 0.5 percentage points. Further, ProPAC recommended that the update equal 7.0 percent for hospitals located in rural areas, 4.5 percent for hospitals located in large urban areas, and 4.5 percent for hospitals located in other urban areas be approved (based on a market basket estimate of 5.4 percent). The components of these factors are described in detail in the ProPAC report, which is published as Appendix E to this document. We discuss ProPAC's recommendations concerning the update factors and our responses to those recommendations below.

Section 1886(e)(4) of the Act, as amended by section 4002(f) of Pub. L. 100–203, requires that the Secretary, taking into consideration the recommendations of ProPAC, recommend update factors for FY 1991 that take into account the amount necessary for the efficient and effective delivery of medically appropriate and necessary care of high quality. Under section 1886(e)(5) of the Act, we are required to publish the recommended

FY 1991 update factors that are provided for under section 1886(e)(4) of the Act. Accordingly, the purpose of this Appendix is to provide our recommendations of appropriate update factors, our analysis of the derivation of the amount of the update factors, and our response to the ProPAC recommendations concerning the update factors.

II. Secretary's Recommendations

Under section 1886(e)(4) of the Act, we are recommending that the prospective payment rates be increased, on average, by an amount equal to the market basket percentage increase minus 1.5 percentage points. Based on the currently forecasted market basket increase of 5.2 percent, the recommend update would be 3.7 percent on average.

However, we recommend that rural hospital receive an update equal to the rate of increase in the hospital market basket, or 5.2 percent, and that urban hospitals receive an update equal to the rate of increase in the hospital market basket minus 1.75 percentage points, or 3.45 percent.

In addition, we recommend that hospitals excluded from the prospective payment system receive an update equal to the market basket percentage increase, based on a new market basket that measures input price increases for services rendered by excluded hospitals. That market basket is currently forecast at 5.3 percent.

In recommending these increases, we have taken into account the requirement in section 1886(e)(4) of the Act that the amounts be high enough to ensure the efficient and effective delivery of medically appropriate and necessary care of high quality. In addition, as required by section 1886(e)(4) of the Act, we have taken into consideration the recommendations of ProPAC. Our responses to the ProPAC recommendations concerning the update factor are discussed below.

III. ProPAC Recommendations for Updating Prospective Payment System Payments and our Response

For FY 1991, ProPAC recommends that the standardized amount be updated by the following factors:

• The projected increase in the hospital market basket (which was estimated to be 5.4 percent in ProPAC's March 1, 1990 report). The market basket used by ProPAC reflects changes in the wage and salary price proxies recommended by ProPAC.

• A discretionary adjustment factor of 0.0 percent composed of an allowance for scientific and technological advancement and productivity improvement.

• An adjustment for case-mix change of −0.5 percent.

Overall, the average net increase employing the above factors is the percentage increase in ProPAC's market basket minus 0.5 percentage points. Based on ProPAC's market basket estimate of 5.4 percent in its March 1, 1990 report, ProPAC recommends a differential update for large urban, other and rural hospitals, with large urban and other urban hospitals receiving a 4.5 percent update, and rural hospitals receiving a 7.0 percent update.

For hospitals and units excluded from the prospective payment system, ProPAC recommends an update factor reflecting the increases in the market baskets for children's hospitals and units and for psychiatric, rehabilitation, and long-term hospitals and units. Based on ProPAC's market basket forecasts, ProPAC recommends a 5.6 percent update in the limits for psychiatric, rehabilitation, and long-term hospitals and units.

Response: We are recommending an update that is consistent with the Administration's budget proposal that, on average, all hospitals receive an update in their payments for FY 1991 equal to the market basket percentage increase minus 1.5 percentage points. Our recommendation is supported by analyses which measure changes in hospital productivity scientific and technological advances, practice pattern changes, and changes in case mix.

At the beginning of the prospective payment system update process, HCFA established a conservative normative standard for hospital productivity increases of 1.0 percent per year. In the short run, any increases in productivity in excess of 1.0 percent would be kept by hospitals as increases in the operating margin. Increases in productivity of less than 1.0 percent would be discouraged by this standard. Hospitals have made substantial increases in productivity since the implementation of the prospective payment system, and we believe that productivity gains can and should continue. Therefore, we believe that a −1.0 percent adjustment for productivity increases continues to be appropriate.

We rely on the results of studies such as those conducted by ProPAC to estimate the impact of scientific and technological advances. ProPAC estimates that the incremental costs of cost-increasing new technologies on operating costs range from 0.5 to 0.9 percent with a best estimate of 0.7 percent. (The impact of cost-decreasing technologies, which ProPAC estimates at −0.4 to −0.6 percent with a best estimate of −0.5 percent, is reflected in the productivity factor).

We measured practice pattern changes based on changes in average length of stay since the beginning of the prospective payment system. Average length of stay declined dramatically during the first years of the prospective payment system and gradually increased in subsequent years. However, our latest data indicate that average length of stay is declining again. Therefore, we believe an adjustment of as much as −1.0 percent for cumulative changes in practice patterns would be appropriate.

Overall, the combined adjustment for productivity, technology, and practice pattern changes could range from −0.1 to 1.5 percentage points. Recognizing −1.0 percent for productivity, +.5 percent for technology, and −.5 percent for practice pattern changes would result in a net adjustment of −1.0 percentage points.

In addition, our analysis takes into account changes in case mix, net of changes attributable to improved coding practices and DRG reclassification and recalibration. We found that observed increase in case-mix was 2.3 percent during FY 1989. We estimate real case mix increase at 1.0 to 1.2 percent. This estimate is supported by preliminary findings from a study by RAND Corporation on case mix change. In addition, we estimate that DRG reclassification and recalibration in FY 1989 resulted in a 0.6 percent decrease in case mix. The resulting adjustment to account for changes in case mix during FY 1989, the most recent year for which data are available, could range from −0.7 to −0.5 percent (the sum of −2.3, +1.0 to 1.2, and +0.6.) The −2.7 and 2.2 percent figures used in the ProPAC framework represent ProPAC's projection for observed case change and real case mix change during FY 1990.

The following is a summary of the update ranges supported by our analyses compared to ProPAC's framework.

	HHS	ProPAC
Productivity	−1.0	
Science & Technological Advances	+0.5 to +0.9	
Practice Patterns	−1.0 to 0	
Subtotal	−1.5 to −0.1	0
Observed Case Mix Change	−2.3	−2.7
Real Change	1.0 to 1.2	2.2
FY 1989 Reclassification and Recalibration	+.6	
Subtotal	−0.7 to −0.5	−0.5
Net Adjustment to Market Basket Percentage Increase	−2.2 to −0.6	−0.5

We believe the above analysis supports a recommendation that, on average, hospitals receive an update for FY 1991 equal to the market basket percentage increase minus 1.5 percentage points.

However, we believe a differential update for rural hospitals would be more appropriate and are recommending that rural hospitals receive the full market basket rate of increase, that is, 5.2 percent. To determine whether we should recommend a differential update for FY 1991, we examined the FY 1988 prospective payment system profit margin data (the most recent data available). The actual margin data indicate rural hospitals continued to have a significantly lower margin than urban hospitals in FY 1988. The average FY 1988 margin for rural hospitals was −2.53 percent compared to an average margin of 3.0 percent for urban hospitals. We also analyzed the relative impact of the Pub. L. 101-239 payment changes on Medicare operating margins. This analysis indicated that the provisions of Pub. L. 101-239 tended to favor rural hospitals relative to urban hospitals. If the revised payment rules had been in effect in FY 1988, rural hospitals would have had Medicare operating margins that were equivalent to the Medicare operating margins for "other urban" hospitals. The margins for hospitals in large urban areas would have been somewhat higher than those of the other geographic areas.

Although our analysis suggests that Public Law 101-239 has significantly improved the margins for rural hospitals relative to urban

hospitals, we believe a higher update for rural hospitals is still warranted in view of the impact that changes we are proposing to make in FY 1991 would have on relative payment levels. In recent years, DRG reclassification and recalibration has resulted in greater increases in the weights for the more resource-intensive DRGs relative to the less resource-intensive DRGs, and thus has tended to favor urban hospitals. Our impact analysis indicates that this trend will continue with the FY 1991 DRG reclassification and recalibration. Moreover, our impact analysis indicates that the proposed wage index will reduce payments to rural hospitals relative to urban hospitals. Although the reduction in the labor market portion of the standardized amount resulting from the market basket rebasing will increase payments to rural hospitals, this increase will not offset the reductions in payments resulting from the proposed DRG weights and wage index.

To offset the effects of the proposed changes and in recognition that rural hospitals have not fared as well as urban hospitals in the past under the prospective payment system, we are recommending that rural hospitals receive an update equal to the rate of increase in the hospital market basket, or 5.2 percent. To maintain the average update at market basket minus 1.5 percentage points, we are recommending that urban hospitals receive an update equal to market basket minus 1.75 percentage points, or 3.45 percent.

If our update recommendation were adopted, the proposed FY 1991 changes would result in a higher increase in payments to rural hospitals than to urban hospitals.

Below is the estimated impact of the proposed FY 1991 rule on program payments based on a uniform market basket update as provided for under current law compared to what the estimated impact would be if our recommended update factors became law.

Combined Effect of All Proposed FY 1991 Changes (Percentage Increase in Program Payment)

	Current law update	Recommended update
All Hospitals	5.1	3.6
Large Urban Hospitals	5.7	4.0
Other Urban Hospitals	4.8	2.1
Rural Hospitals	4.1	4.1

Our recommendation for a higher update for rural hospitals is based on our assessment of an appropriate update factor under the current system of separate standardized amounts for urban and rural hospitals. We do not agree with ProPAC's recommendation to eliminate the urban-rural differential without taking into account the implications that a single standardized amount would have for payment adjustments, such as case mix measurement, the wage index, and the indirect teaching and disproportionate share adjustments. Simple elimination of the urban-rural differential without reevaluating these other payment adjustments could have a significant effect on the equity of payments among hospitals. Public Law 101-239 provides for the Secretary to develop a legislative proposal that would phase-out the urban-rural differential over a three-year period ending in FY 1995 and make a number of refinements to the prospective payment system. Our impact analyses and recommendations for phasing out the differential and making other modifications to the payment system to improve payment equity under a single rate system will be included in a report to Congress that is due by October 1, 1990.

The following is a comparison between our update recommendations for prospective payment hospitals and those of ProPAC:

	HHS	ProPAC
Average Update Factor	MB[1] −1.5	MB −0.5
Large Urban Hospitals	MB −1.75	MB −0.9
Other Urban Hospitals	MB −1.75	MB −0.9
Rural Hospitals	MB	MB +1.6

[1] MB stands for percentage increase in the hospital market basket. The percentage increase in HCFA's re-based market basket is forecasted at 5.2 percent. The percentage increase in ProPAC's market basket was projected at 5.4 percent in ProPAC's March 1, 1990 report.

Appendix E—Report and Recommendations to the Secretary, U.S. Department of Health and Human Services by the Prospective Payment Assessment Commission

March 1, 1990.

Prospective Payment Assessment Commission

Stuart H. Altman, Ph.D., *Chairman*

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Stuart H. Altman, Ph.D.
Chairman

Donald A. Young, M.D.
Executive Director

March 1, 1990.

The Secretary,
Department of Health and Human Services, 200 Independence Avenue SW., Washington, D.C. 20201

Dear Mr. Secretary: I am pleased to transmit to you the annual report of the Prospective Payment Assessment Commission as required by section 1886(e)(4) of the Social Security Act as amended by Public Law 98-21. This report contains 15 recommendations for updating the Medicare prospective payment system and modifying the diagnosis-related group classifications and weighting factors.

Sincerely,
Stuart H. Altman,
Chairman.

Enclosure.

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Executive Summary

In this report for fiscal year 1991, the Prospective Payment Assessment Commission (ProPAC) reviews the goals, principles, and major design features of the Medicare prospective payment system (PPS) and presents 15 recommendations for improving the system. These recommendations are directed to the Secretary of the Department of Health and Human Services (HHS) and the Congress. The Commission's report and recommendations reflect the collective judgment of ProPAC's Commissioners about issues of substantial importance to beneficiaries, hospitals, and the Medicare program.

The Design and Performance of PPS

From 1966 until 1983, Medicare reimbursed hospitals for the costs they incurred in providing inpatient care to program beneficiaries. Increases in hospital costs were met by proportionate increases in Medicare payments. As a result, cost reimbursement reduced hospitals' financial incentives to use inpatient resources efficiently.

In 1983, Congress replaced cost reimbursement with PPS, a system of prospectively determined payment rates set on a per-discharge (case) basis. The primary goal of PPS was to control the rate of increase in hospitals' Medicare costs and thereby limit the rate of growth of program expenditures for inpatient care. At the same time, however, hospital payments were intended to be sufficient to maintain high-quality care for all beneficiaries. The greatest challenge to the Commission and other policymakers has been to achieve a reasonable balance between the potentially conflicting goals of controlling cost increases while maintaining access to high-quality care.

PPS attempted to achieve the primary goal of cost control through the influence of financial incentives rather than direct regulatory controls. The financial incentives of PPS are based on a set of five principles:

• Payment rates are set in advance of the period to which they apply,

• Hospitals are required to accept the rates as payment in full,

• Rates are set on a per-case basis with a different rate for each diagnosis-related group (DRG),

• Differences between a hospital's costs and the payment rates for individual cases in a DRG are expected to balance out over all of the hospital's cases in that DRG, and

• Separate payment policies are applied for extraordinary cases.

It was anticipated that hospital management, facing per-case payment rates based on these principles, would have a strong incentive to improve productivity and use less costly inputs. Furthermore, hospital management was expected to influence physicians to reduce lengths of stay and limit the volume and cost of inpatient services provided to each Medicare patient. In addition, it was hoped that hospitals would specialize in caring for patients they could treat efficiently, and adopt cost-reducing new technologies while avoiding those that increase costs.

Hospitals also face other pressures, however, that may limit their response to PPS's financial incentives. For example, hospitals face demands from physicians and patients for increases in the quantity and mix of inpatient services. Consequently, it is difficult to assess the extent to which hospital management has been able to respond to PPS's financial incentives. In addition, the strength of PPS incentives has varied widely over time and among hospital groups and geographic areas. Hospitals have not always responded as policymakers intended.

The Commission also notes that a system of DRG-specific, per-case payment rates may send false or distorted signals to hospitals. Hospitals' responses to PPS incentives—to reduce costs in particular DRGs, specialize in treating specific cases, and adopt certain technologies—depend on the accuracy of DRG definitions and their relative weights. Thus, limitations of the DRG definitions, the assignment of cases, and the calculation of weights may dilute or distort incentives for efficiency.

Policymakers intended that PPS would reward hospitals for efficiency and penalize them for inefficiency. They recognized that PPS could not be successful unless the payment rates for individual hospitals are adjusted appropriately to account for factors, other than management efficiency, that affect the cost of treating Medicare patients. Therefore, the design of PPS includes a set of payment rate adjustments that recognize measurable differences among hospitals in the mix of outputs they produce and the economic conditions they face in each local area. As part of the design, several features of the PPS payment formula help ensure equitable treatment of all hospitals, Medicare beneficiaries, and geographic areas.

The most notable adjustment is the use of DRGs to recognize differences in the expected costs of treatment due to variations in the mix and complexity of cases. An additional adjustment recognizes the indirect costs associated with graduate medical education programs. Moreover, since socioeconomic characteristics of the patient population affect costs, PPS provides additional payments to hospitals serving a disproportionate share of low-income patients.

The Commission believes that both the indirect medical education and

disproportionate share adjustments are achieving their intended purposes. Nevertheless, ProPAC plans to continue to evaluate the appropriate level of these adjustments.

Hospitals' costs also may vary due to different economic conditions in each local area. Therefore, each hospital's payment rate is adjusted by a wage index to reflect the prevailing wage level for hospital workers in its labor market area. The wage adjustment is the single most important factor affecting the distribution of PPS payments among hospitals. The Commission believes that major improvements are possible in the definition of hospital labor market areas and in the data used to calculate the wage index.

Local and regional differences in the cost of care are also recognized through other policies and adjustments. These include the establishment of separate payment rates for hospitals located in large urban, other urban, and rural areas; the special treatment given to certain groups of rural hospitals; and extra payments for especially costly cases. The Commission is continuing to examine these and other issues to ensure an equitable distribution of PPS payments.

Another PPS design issue is how to adjust the level of payments to respond appropriately to changes in technology, practice patterns, and economic conditions. To address this issue, PPS provided for an annual update of the payment amounts. The annual update factor is intended to adjust hospitals' DRG payment per case for changes in factors that are expected to affect the cost of efficiently providing care to Medicare beneficiaries. The Commission has followed a similar framework each year in developing its annual update recommendation. This framework is described in the recommendations summarized later in the Executive Summary.

Since PPS has been in place, the rate of increase in Medicare expenditures for hospital inpatient care has slowed substantially. The rate of increase in hospitals' Medicare cost per case has also been reduced. This effect was greatest in the first year of PPS when hospitals anticipated a reduction in revenues. Since then, the rate of increase in hospitals' Medicare cost per case has returned almost to previous levels. Nevertheless, the rate of increase appears to be lower than it would have been under the old cost reimbursement policy.

These outcomes have been achieved without serious discernible effects on Medicare beneficiaries' access to care or on the quality of the care they receive. Clearly, much more research is needed to improve measurement of access to care and quality of care. Since the introduction of PPS, however, the Commission has searched for but not found evidence of substantial or systematic changes in either access to inpatient care or the quality of care for Medicare beneficiaries.

The Commission believes that PPS has partially met its intended goals. The move from cost reimbursement to prospectively determined per-case payment rates created financial incentives to control costs. In the early years, these incentives were relatively weak. While hospitals initially expected lower payments, the actual payment rates were higher than policymakers intended. Moreover, PPS's payment incentives may have been overwhelmed by other pressures hospitals faced in their local communities. More recently, however, the financial pressure faced by hospitals has increased. Thus, PPS may only now be reaching the point where its impact may be strongly felt.

As the financial pressure of PPS continues, however, the design features of the system need to be reviewed even more carefully to ensure adequacy in the level of payments and equity in the distribution of those payments among hospitals and geographic areas. The Commission believes that an adequate level and distribution of payments are critical to achieving the goal of cost containment while maintaining access to high-quality care for Medicare beneficiaries.

For this reason, the Commission has concluded that the adequacy of current payment adjustments remains one of the central policy dilemmas of PPS design. In designing PPS, policymakers consciously decided not to allow for cost variations among hospitals except for variations due to factors beyond hospitals' control. The payment adjustments in PPS are further limited to factors that are readily measurable and clearly related to cost per case. As a result, some factors that affect costs and are beyond hospitals' control are not addressed in determining PPS payment rates.

The wide variability of hospital financial performance under PPS suggests that the current set of payment adjustments fails to capture some key sources of cost variation. The Commission believes that resolution of this problem is crucial to the continued ability of PPS to meet its most important goals. Therefore, this issue will have a prominent place on the Commission's future analytic agenda.

Summary of the Recommendations

In Chapter 2, ProPAC presents 15 recommendations for updating and improving PPS. The Commission believes that its proposed changes are necessary for maintaining access to high-quality health care, encouraging hospital productivity and cost-effectiveness, and permitting the adoption of innovative and appropriate technological change. ProPAC developed its recommendations by setting priorities, responding to public concerns, analyzing information, and deliberating. The recommendations are offered to comply with the Commission's statutory mandate and to contribute to an informed and open debate about hospital payment policy under PPS. For fiscal year 1991, the 15 recommendations fall into four broad areas:

- Updating PPS payments,
- Adjusting the PPS payment formula,
- Improving patient classification and case-mix measurement, and
- Improving the data used for decision making.

Updating PPS Payments—The Commission recommends an average of 4.9 percent in the level of PPS prices for fiscal year 1991. This would provide an increase of 4.5 percent for hospitals in both large urban areas and other urban areas, and a 7.0 percent increase for hospitals in rural areas. The update factor recommendation combines several components: the PPS market basket, adjustments for errors in the market basket forecast, the discretionary adjustment factor, and an adjustment for case-mix change.

The fiscal year 1991 PPS market basket was forecasted to increase 5.4 percent when the Commission developed this recommendation. The PPS market basket is used to estimate inflation in the prices of goods and services pruchased by hospitals. The Commission also recommends improving the validity and reliability of the market basket by giving more weight to hospital industry wages and contract labor expenses. This recommendation was incorporated into the market basket forecast.

No market forecast error adjustment is required for fiscal year 1991. The Commission recommends basing an adjustment for forecast error on actual data from 1989, instead of on estimated error in the forecast for 1990.

The Commission believes that the costs of scientific and technological advancement can be funded by productivity improvements within each hospital. Therefore, the allowance for scientific and technological advancement was offset against the allowance for productivity improvement.

An adjustment for case-mix change of −0.5 percent offsets the estimated extra revenues that hospitals received in 1990 from case-mix index increases that were not due to treating sicker patients. As noted in previous reports, case-mix index change has been a larger source of PPS revenue other increases over time than the annual payment updates and all other payment policy changes combined.

The Commission also recommends raising the standardized amount for rural hospitals to the level of the standardized amount for other urban hospitals over three years. In the first year, the Commission recommends an increase for rural hospitals of 2.1 percent above the average update. A reduction in the update factor for all urban hospitals would be used to offset the additional increase for rural hospitals. Therefore, the Commission also recommends that the increase for large urban and other urban hospitals be 0.4 percent less than the average update.

The update is only one source of growth in PPS payments to hospitals. Changes in reported case mix also result in changes in PPS payments. As a result, the fiscal year 1991 increase in average per-case PPS payments under all of ProPAC's recommendations will be greater than the 4.9 percent recommended update.

The Commission believes that a separate update factor is required for PPS-excluded hospitals and distinct-part units, and recommends an increase of 5.6 percent. This update is equal to the projected increase in the market basket for excluded facilities because both the forecast error correction and the discretionary adjustment factor are zero, and no case-mix adjustment is available for these facilities.

Adjusting the PPS Payment Formula—The Commission believes the level of the indirect medical education adjustment should be reduced from 7.7 percent to 6.8 percent for every 0.1 increase in the ratio of interns and

residents to beds. ProPAC balanced two factors in making this recommendation: a recognition that Medicare is more than adequately compensating teaching hospitals, and a serious concern for the overall financial condition of major teaching hospitals. The Commission further recommends that the savings from this reduction be returned to the standardized amounts of all hospitals.

The Commission is concerned that the current area wage index overcompensates some hospitals and undercompensates others. The Commission recommends that the Secretary begin collecting data to evaluate the effects of adjusting the area wage index for differences in occupational mix.

Improving Patient Classification and Case-Mix Measurement—The Commission believes that improving case-mix measurement and patient classification are necessary to ensure accurate and equitable payments to hospitals. As a result, ProPAC urges the Secretary to continue developing and evaluating improvements in measuring hospital case mix.

The Commission also recommends making improvements to the International Classification of Diseases, Ninth Revision, Clinical Modification (ICD–9–CM) coding system. These improvements should continue and should be carried forward into ICD–10.

The Commission supports a revision of the Uniform Billing Form to allow reporting of additional diagnosis and procedure codes. This modest expansion would enhance the analysis of refinements in DRG definitions.

The Commission concludes that a systematic evaluation of the codes contained in the complications and comorbidities (CC) list is warranted. Special attention should be paid to improving codes that would result in assigning seriously ill cases to categories that would better reflect their sources requirements.

The Commission reiterates its position that cases with Guillain-Barre Syndrome should be reassigned to DRG 20, DRG 34, or a new DRG.

Improving the Data Used for Decision Making—The Commission advocates using more timely and accurate data as the basis of PPS policy analysis. The Commission recommends placing greater emphasis on auditing and processing the income statement section of the Medicare Cost Report.

ProPAC also encourages the Secretary to collect more comprehensive and timely information on the utilization, expenditures, sources of payment, insurance coverage, satisfaction and perceptions of Medicare beneficiaries. This information would improve the analysis of potential changes to the Medicare program.

Finally, the Commission recommends that the Secretary begin developing a database that includes the total volume of selected procedures performed in a hospital. The database should also contain the number of procedures performed by physicians in each hospital in which they practice. This information would be valuable for studying the effect of procedure volume on outcomes and costs.

Four appendixes to this report provide additional information. Appendix A includes background material and analyses that form the basis for some of the Commission's recommendations. Appendix B lists ProPAC's technical reports describing additional research and analysis completed by the Commission. Appendix C highlights the background of each Commissioner and describes ProPAC's operations. Appendix D reports changes in DRG relative weights from fiscal year 1989 to fiscal year 1990.

Recommendations for Fiscal Year 1991

Updating PPS Payments

Recommendation 1: Amount of the Update Factor for PPS Hospitals. For fiscal year 1991, the PPS standardized payment amounts should be updated to account for the following factors:

• The projected increase in the modified PPS market basket recomnmended by ProPAC, currently estimated at 5.4 percent;

• A correction for substantial errors in the fiscal year 1989 market basket forecast, currently estimated at zero;

• A discretionary adjustment factor of zero; and

• A net −0.5 percent adjustment for case-mix change.

In addition, a positive adjustment of 2.1 percent for rural hospitals and a negative adjustment of 0.4 percent for large urban and other urban hospitals should be made to reflect the first year of a three-year phase-out of the differential in the standardized amounts between rural and other urban hospitals.

Recommendation 2: Market Basket Structure. The Commission believes the weight accorded to the hospital industry wage portion of the market basket should be increased to better reflect changes in hospital and other labor markets. The wage and benefit component of the market basket should be measured using a blend of 50 percent of the Employment Cost Index compensation series for hospital workers and 50 percent of nine non-hospital ECI compensation series reflecting the types of employees hospitals hire. The Commission also believes that contract labor expenses should be incorporated into the new compensation component in the market basket.

Recommendation 3: Discretionary Adjustment Factor. For fiscal year 1991, the net allowance for scientific and technological advancement and productivity improvement in the discretionary adjustment factor should be zero.

Recommendation 4: Adjustments for Case-Mix Change. For fiscal year 1991, the PPS standardized amounts should be reduced by 0.5 percent to account for increased payments from case-mix index change. This adjustment reflects:

• A 2.7 percent reduction for the estimated case-mix index change during fiscal year 1990,

• A positive allowance of 1.5 percent for real across-DRG case-mix index change during fiscal year 1990, and

• A positive allowance of 0.7 percent for within-DRG case-complexity change during fiscal year 1990.

Recommendation 5: Eliminating the Differential between the Other Urban and Rural Standardized Amounts. The differential between the standardized payment amounts for hospitals located in Metropolitan Statistical Areas with fewer than 1 million people (other urban hospitals) and for hospitals located outside MSAs (rural hospitals) should be eliminated. Through differential updates, the rural standardized amount should be increased until it equals the other urban standardized amount. This should be accomplished by fiscal year 1993 in a budget neutral fashion. For fiscal year 1991, hospitals located in rural areas should receive an update of 7.0 percent, which is 2.5 percentage points higher than hospitals located in urban areas.

Recommendation 6: Update Factor for PPS-Excluded Hospitals and Distinct-Part Units. For fiscal year 1991, the target rate of increase for excluded hospitals and distinct-part units should be determined separately from the PPS update factor. The target rate of increase should equal the projected increase in the appropriate market basket. Based on the Commission's most current information, the recommended rate of increase is 5.6 percent for fiscal year 1991.

Adjusting the PPS Payment Formula

Recommendation 7: Indirect Medical Education Adjustment. The Commission recommends that the Secretary seek legislation to reduce the indirect medical education adjustment from its current level of 7.7 percent to 6.8 percent for fiscal year 1991. This reduction should be implemented in a budget neutral fashion, with the savings returned to all hospitals through corresponding increases in the standardized amounts.

Recommendation 8: Improving the Area Wage Index. The Secretary should begin immediately to collect data on employee compensation and paid hours of employment for hospital workers in each occupational category. After collecting these data, the Secretary should carefully evaluate the effect of adjusting the area wage index for differences in the occupational mix of employment.

Improving Patient Classification and Case-Mix Measurement

Recommendation 9: Improving the DRG System for Measuring Case Mix. The Commission strongly urges the Secretary to continue developing and evaluating improvements in the measurement of hospital case mix and patient resource use.

Recommendation 10: Improving Medical Record Coding, Reporting, and DRG Assignment. The Secretary should continue to improve the ICD–9–CM coding system to allow for more accurate clinical reporting. The Commission continues to support a more timely, systematic, and consultative approach to consideration of new ICD–9–CM codes. The Commission urges the Secretary to ensure that improvements previously made in the ICD–9–CM system are carried forward into ICD–10. The Secretary should revised the Uniform Billing Form to allow reporting of 10 diagnosis codes and 10 procedure codes.

Recommendation 11: Improving the Use of Complications and Comorbidities for DRG Assignment. The Secretary should continue

the ongoing effort to refine the DRGs to improve clinical specificity. The current structure of the DRGs and proposed refinements use the presence of complications and comorbidities to classify patients with respect to resource use. The Secretary should undertake a systematic evaluation of the codes in the CC list, with special attention to improving codes that would assign seriously ill patients to categories that would better reflect their resource requirements.

Recommendation 12: Reassigning Patients with Guillain-Barré Syndrome. The Secretary should reassign patients with Guillain-Barré Syndrome from DRGs 18 and 19 to DRG 20, DRG 34, or a new DRG.

Improving the Data Used for Decision Making

Recommendation 13: Improving the Medicare Cost Report Data Used for Calculating Total Margins. The Secretary should place more emphasis on auditing and processing the income statement section of the Medicare Cost Report.

Recommendation 14: Improving Information on Medicare Beneficiaries. The Secretary should collect more comprehensive and timely information on Medicare beneficiaries, including utilization, expenditures, sources of payment, insurance coverage (including out-of-pocket costs), and beneficiary satisfaction and perceptions. The Commission believes that the current approach for collecting this information is not adequate for effective policy development.

Recommendation 15: Linking Data on Hospital and Physician Procedure Volume. The Commission urges the Secretary to begin developing a database that would allow examination of the total volume of selected procedures performed in a hospital. Such a database should include the number of procedures performed by physicians in each hospital in which they practice. It should include data from Medicare and other payers.

Chapter 1—Medicare Prospective Payment: Design and Performance

From its beginning in 1966 until 1983, Medicare reimbursed hospitals for the reasonable costs they incurred in providing inpatient services to program beneficiaries. Additional hospital spending related to patient care resulted in a proportionate increase in Medicare payments. As a result, hospital management had little incentive to use inpatient resources efficiently.

Concerns about rapidly rising Medicare expenditures and the role of cost reimbursement as a contributing factor eventually led to the development of a new method of payment for hospital inpatient care. The new method, called the prospective payment system (PPS), was enacted by Congress in the Social Security Amendments of 1983 (Pub. L. 98–21). Payments based on PPS were implemented for hospital accounting periods beginning during fiscal year 1984.

In the same legislation, Congress established the Prospective Payment Assessment Commission (ProPAC). ProPAC is an independent agency that provides analysis and recommendations on PPS payment issues to the Secretary of Health and Human Services (HHS) and to Congress. This is the Commission's sixth annual report to the Secretary on refining and updating PPS.

Since the beginning of PPS, Congress repeatedly has modified the system to achieve budget savings and to address issues raised by ProPAC, the Administration, the hospital industry, and other public and private interests. Although various technical aspects of PPS have been altered, the basic goals and the major design features of the system have remained essentially unchanged.

The Commission believes it is important to reevaluate periodically the design and performance of PPS. This chapter highlights the Commission's views regarding the structural strengths and weaknesses of the system. It also provides the context for the specific recommendations set forth in Chapter 2. The discussion focuses on the appropriateness and validity of the key goals, principles, and assumptions embedded in the design of PPS. Related issues and future concerns are also presented, along with the direction and scope of the Commission's agenda for future analytic work. In June each year, ProPAC publishes a separate report to Congress on the broader effects of PPS on the entire health care system, *Medicare Prospective Payment and the American Health Care System.*

The discussion is organized in four sections. It begins with a brief review of the methods and problems of hospital reimbursement and the evolution of Medicare's payment policy from 1966 to 1983. This section describes the environment that led policymakers to adopt major payment reforms and influenced the design of PPS.

The second and third sections are organized around the framework of the major issues of payment reform. In the second section, the Commission focuses on the goals of PPS and the design principles and techniques that were intended to create appropriate financial incentives for hospitals. The third section describes the PPS principles and techniques related to ensuring equity of payments and maintaining adequacy of payments over time.

The fourth section briefly summarizes the Commission's overall assessment of the performance of PPS. This section highlights structural strengths and limitations of the design of PPS and related current and future issues.

Evolution of Medicare Hospital Payment Policy

The Medicare program, enacted in 1965, was intended to provide the elderly population with financial protection against the cost of needed health services. Implementation of this program in July 1966 was followed by a substantial increase in the use of hospital inpatient care by the elderly. In addition, the hospital industry received a large infusion of funds in the form of payments for services furnished to Medicare beneficiaries.

Until 1983, these payments were made using a method known as cost reimbursement. Each hospital was paid based on the costs it incurred in providing inpatient care to program beneficiaries. Because increases in costs were met by a proportionate increase in payments, this payment method reduced the financial risk hospitals otherwise would have faced in making employment and capital investment decisions. Cost reimbursement, therefore, reduced hospitals' financial incentives to use inpatient resources efficiently.

From the beginning, the Medicare program experienced rapid and uncontrolled growth in expenditures for hospital inpatient care. By the early 1980s, program expenditures for inpatient care were increasing at an average rate of nearly 17 percent per year. Projected continuation of this trend threatened the solvency of Medicare's Hospital Insurance Trust Fund.

Rationale for Payment Reform

The large infusion of funds and the reduction of financial risk under cost reimbursement permitted hospitals to respond relatively freely to the other pressures they faced in each local market area. Hospitals were able to satisfy physician and patient demands for increases in the quantity and changes in the mix of inpatient services, with little concern for the cost consequences. In addition, hospitals could adopt new technologies to compete with each other regardless of whether the new services would be used efficiently.

Consequently, hospitals were widely perceived to be inefficient, with low productivity and high costs per unit of service. They also were believed to be producing more services and a more expensive mix of services than were really necessary to meet the medical needs of Medicare beneficiaries and other patients. Moreover, these behaviors were viewed as important sources of the rapid growth of hospital costs for Medicare beneficiaries.

Other factors also were contributing to this situation. Growth of hospitalization insurance, increases in family income and educational levels, and the swift pace of technological change also were driving the rapid growth of Medicare costs for inpatient care. Unlike these other factors, however, the lack of financial incentives for efficiency under cost reimbursement could be changed through payment reform.

Medicare Cost Reimbursement Reforms

Congress began to address these concerns as early as 1967, when it authorized experimentation with alternatives to cost reimbursement. five years later, in section 223 of the Social Security Amendments of 1972 (Pub. L. 92–603), Congress gave the Secretary of Health, Education, and Welfare (later Health and Human Services or HHS) broad authority to set limits on the costs that would be recognized as reasonable for Medicare hospital reimbursement. In 1974, the Secretary began to use this authority to set limits on the average per diem routine costs (costs per day of room, board, and routine nursing care) that Medicare would reimburse hospitals.

The design of this approach was largely determined by trade-offs between the goals of cost containment and equitable treatment of all hospitals. Costs of special care and ancillary goods and services were excluded from the limits on the grounds that these

costs would vary among hospitals primarily according to the mix of Medicare cases treated (case mix). Because HHS lacked the tools to measure case mix and its relationship to hospital inpatient costs, limits on total costs per case would have unfairly discriminated against hospitals that treated relatively expensive types of cases.

Capital costs, such as rent, interest, and depreciation, and the direct costs of other hospital outputs, such as medical education programs, were also excluded from the limits for similar reasons. Capital costs vary according to the age of each hospital's buildings and equipment, as well as the financing methods the hospital used to acquire them. A hospital's direct costs of medical education and training programs—salaries of teaching and support staff and residents, for example—vary in relation to the size and composition of its teaching programs. HHS lacked sufficient information about these aspects of hospital operations to establish defensible cost limits. Therefore, these costs could not be fairly included.

Critics argued that per diem cost limits would be ineffective and perhaps counterproductive in restraining the cost of inpatient care. The per diem limits applied to less than 50 percent of hospitals' Medicare inpatient costs. Although they applied to almost all hospitals, only a few were actually affected. Therefore, they could not be expected to exert much influence on hospital behavior. In addition, per diem limits gave hospitals an incentive to increase length of stay for Medicare patients. Longer stays would reduce a hospital's average per diem routine costs, but they would increase its total Medicare inpatient costs.

By the early 1980s, a measure of the relative costliness of each hospital's mix of Medicare inpatient cases had been developed. This measure was based on the diagnosis-related groups (DRG) patient classification system. In the Tax Equity and Fiscal Responsibility Act of 1982 (Pub. L. 97-248, or TEFRA) Congress expanded the existing per diem routine cost limits to encompass hospitals' total Medicare inpatient operating costs per discharge. Anticipating PPS, these limits were applied on a per case rather than a per diem basis. In addition, they were adjusted to reflect the relative costliness of each hospital's Medicare case mix. They also covered all inpatient costs attributable to the treatment of Medicare patients, except for capital costs and the direct costs of medical education programs.

This legislation also established a new three-year program of limits on the annual rate of increase in each hospital's Medicare inpatient operating costs per case, known as target rate of increase limits. For many hospitals, however, Medicare operating costs per case were below the limits. The program still paid these hospitals on the basis of the costs they incurred in serving program beneficiaries. Therefore, these hospitals continued to have little incentive to use inpatient resources efficiently.

To remedy this defect, TEFRA required the Secretary to develop a legislative proposal for prospective payment of hospitals under Medicare by December 31, 1982. The Secretary's proposal was adopted, with modifications, in the Social Security Amendments of 1983. This legislation was signed into law on April 20, 1983, and implemented for hospital cost reporting periods beginning during fiscal year 1984.

Goals, Principles, and Incentives of PPS

In this section and the next one, the Commission reviews the major goals, principles, and assumptions embedded in the design of PPS. This section focuses on the features of PPS that create financial incentives for hospitals. In the next section, ProPAC turns to the payment adjustments and other policies that are intended to ensure equity of payment among hospitals.

Goals of PPS

The primary goal of PPS was to control the rate of increase in hospital costs for Medicare beneficiaries and thereby limit the rate of growth of program expenditures for inpatient care. At the same time, however, Congress indicated that the level and distribution of hospital payments under PPS had to be sufficient to maintain access to inpatient care of high quality for all beneficiaries. The greatest challenge to ProPAC and other policymakers has been to achieve a reasonable balance between these potentially conflicting goals of controlling cost increases while maintaining access to high-quality care.

The new system attempted to achieve its primary goal of cost control through the influence of financial incentives rather than by direct regulatory controls. The central idea was that changes in hospital behavior in response to incentives for efficiency would, at a minimum, lower the rate of increase in Medicare costs and program expenditures. In the view of many policymakers, hospitals had become inefficient under the influence of cost reimbursement. Therefore, they believed that costs could be reduced without significant adverse effects on access to care or the quality of care.

Creating Appropriate Financial Incentives

The development of appropriate financial incentives under PPS is based on a set of five principles. These are that: (1) payment rates are set in advance of the period to which they apply, (2) hospitals are required to accept the rates as full payment, (3) rates are set on a per-case basis with a different rate for each DRG, (4) differences between a hospital's costs and the payment rate for individual cases are expected to balance out over all cases in a DRG, and (5) separate payment policies are applied for extraordinary patients.

Basic Incentives of Per-Case Payment—Setting the payment amount in advance and requiring hospitals to accept it as full payment creates financial incentives for hospitals to control treatment costs for Medicare beneficiaries. Each hospital is placed at risk for the difference between its costs and payments. Hospitals that incur costs that are higher than their payments will suffer losses, while those that hold costs below their payments are allowed to keep the profits. Consequently, it was believed that hospital management would have a strong incentive to keep Medicare costs down.

The third principle is that the payment rates are set on a per-case basis, with a separate rate for each type of Medicare patient. Patient categories are defined by the diagnosis-related groups patient classification system. Each of the 474 DRG categories is intended to define a group of patients with similar clinical conditions and similar needs for inpatient resources.

Payment on the basis of a per-case rate for each DRG is intended to create specific financial incentives that encourage hospital management to adopt desirable methods of controlling the cost of care. It was hoped that hospital management, facing a separate payment rate per discharge for each DRG, would have strong incentives to: (1) improve productivity; (2) use less expensive inputs where possible; (3) influence physicians to reduce the length of stay, limit the volume of inpatient services, and use a less expensive mix of services to treat each patient; (4) specialize in treating types of cases the hospital can produce efficiently; and (5) adopt cost-reducing technologies, while avoiding cost-increasing technologies.

Limiting Undesirable Incentives of Per-Case Payment—The design principles of averaging and special payment policies for extraordinary patients are intended to limit the impact of undesirable incentives associated with DRG-specific, per-case payment. It was argued that hospitals could have a financial incentive to provide too few services. This incentive could be especially strong for relatively seriously ill patients in a DRG who are likley to require more services than the payment rate would cover.

To minimize these potential negative effects, PPS relies on the principle of averaging. Other things being equal, if the payment rate for each DRG is based on the national average cost per case for all cases in the category, hospitals would be expected to make profits on relatively low-cost cases, but lose money on relatively high-cost cases. On average, these individual gains and losses would balance out for each hospital under most circumstances. Therefore, policymakers believed that hospitals would have less overall financial incentive to reduce services. The extent to which averaging is effective, however, is a continuing source of concern to the Commission.

The incentive to provide too few services is mitigated by the value that hospitals place on the provision of high-quality care and on their ability to attract physicians and patients. It is generally believed that few hospital managers or physicians would compromise quality to increase profits or reduce losses. Further, Congress mandated that the Peer Review Organizations (PROs), established in 1982, would monitor quality of care.

Finally, policymakers recognized that this approach still might create undesirable financial incentives regarding the treatment of extraordinary patients. To limit the impact of these incentives, the fifth principle of PPS provides for development of special payment policies for certain Medicare patients. These are patients who are transferred to another hospital or have extremely long lengths of stay or extraordinary costs of care.

Lengths of stay, service use, and costs for transfer patients tend to be lower than for other patients in the same DRG. If these cases were paid at the full DRG rate, hospitals would have an incentive to transfer too many patients. To limit this incentive, transfers are paid on the basis of a per diem rate from the date of admission to the date of transfer.

The opposite situation arises with outlier cases. These are patients with extremely long inpatient stays or extraordinarily high costs. The problem is that financial losses on these cases are so large that hosptials cannot offset them with gains from low-cost cases in the same DRG or other DRGs. For these cases, the principle of averaging does not work.

Without a special payment policy, hospitals that treat such cases would be penalized financially. Consequently, they would have a strong incentive to avoid or transfer any patient who is likely to become an outlier. This could reduce access to care for certain severely ill Medicare beneficiaries. To moderate this incentive, extra payments are made for cases that qualify as outliers. These payments are financed by an across-the-board proportionate reduction in all DRG payment rates.

Implementation and Mechanics of Basic Rate-Setting Principles

Together, these five principles were designed to create a balanced set of incentives. In practice, however, the actual incentives hospitals face depend on the methods and data used to implement these principles.

The Mechanics of Payment Rate Determination—Under PPS, each hospital is paid a separate fixed payment rate per case for each DRG. Each DRG-specific payment rate is determined by the product of two components: a base payment amount and a relative weighting factor for the particular DRG.

The base payment amount is intended to represent the national average cost of treatment for a typical (average) Medicare case. It is based on Medicare costs reported by hospitals for cost reporting periods ending during 1981, updated to the year of payment by an annual update factor.

The weighting factor for each DRG represents the estimated relative cost of treatment for an average Medicare case in the particular DRG compared with the national average cost of treatment for all Medicare cases. The weighting factors are based on charges for covered inpatient services provided to Medicare beneficiaries, as reported on bills submitted for payment by all PPS hospitals.

The weights are given as index numbers, such as 0.5384 for a low-cost DRG, or 7.6291 for a costly DRG. A single national set of DRG weights is applied for all hospitals. A hospital's set of DRG-specific payment rates is determined by multiplying all the DRG relative weights by the applicable base payment amount.

Potential Technical Refinements—Despite its complexity, implementation of the DRG system has proceeded satisfactorily, and the system has gained acceptance within the hospital industry. Moreover, ProPAC believes that PPS has worked reasonably well to create the financial incentives that policymakers intended. In addition, PPS has been modified to include a number of important refinements.

Nevertheless, the Commission believes that further improvements are possible. For example, a per-case payment system like PPS carries the inherent risk that the payment rates may dilute or distort some incentives. This may occur if the DRG relative weights differ from hospitals' average relative costs of treatment in each DRG. Therefore, the clarity and appropriateness of the incentives PPS creates for hospitals to reduce costs in particular DRGs, to specialize in the treatment of particular types of cases, and to adopt or avoid particular new technologies depend on the accuracy and specificity of the relative weights. In addition, the accuracy and specificity of the DRGs and the relative weights also affect the distribution of PPS payments among hospitals.

The function of setting the relative weights, called case-mix measurement, has three components. These are: (1) the definitions of the DRGs, (2) the clinical and demographic information used to assign patients to each DRG category, and (3) the methods and data used to estimate a relative weight for each DRG. The Commission has identified potential refinements regarding each of these components.

All patient classification systems have limitations, and the DRGs are no exception. ProPAC has recommended, and the Secretary has funded, research projects to improve the DRGs and to develop alternative patient classification systems. Recently, specific improvements to the DRG definitions have been proposed. The Commission believes these revisions should be carefully and fully evaluated as soon as possible.

The specificity of the DRGs and of potential refinements are frequently limited by the inability of the current coding system to identify clinically significant differences among patients with a given illness or diagnosis. In this regard, the Commission believes coding for a number of diagnoses is too broad to permit differentiation among patients with varying levels of resource needs. Moreover, additional work is needed to strengthen current procedures for updating the coding system to reflect changes in technology and medical practice patterns. These issues are discussed more fully in Chapter 2 of this report.

The Commission also continues to believe that further refinements can be made to the methods and data used to establish the relative weighting factors. In its March 1988 report, ProPAC recommended setting the relative weights on the basis of the estimated average standardized cost per case in each DRG, in lieu of the average standardized change per case now in use. This recommendation was made in the belief that standardized charges tend to overstate the amount of variation in average resource costs per case among the DRGs. This recommendation has not yet been adopted.

Major improvements in outlier policy were implemented in 1989. However, further refinements may be possible by changing the current method of financing outlier payments Extra payments for cases with extremely long stay or extraordinarily high costs are financed by an across-the-board reduction in all DRG payment rates. Extensive research has shown, however, that the incidence of outlier cases and payments varies widely among the DRGs. This may affect the accuracy of the relative weights for DRGs with either a very high or a very low percentage of outlier cases. The Commission will continue to study the potential impact of outlier financing methods on the DRG weights.

ProPAC recognizes that some of these issues are quite complex. However, the Commission believes further refinements may be necessary to avoid sending undesirable signals to hospitals. These concerns will become even more important if the overall level of financial pressure on hospitals continues to increase.

Potential Payment Inequities— The principles of per-case payment were adopted to create appropriate financial incentives for hospitals to control the cost of inpatient treatment for Medicare beneficiaries. Policymakers hoped to reward hospitals for efficiency and penalize them for inefficient behavior. However, they also recognized that this will not be possible unless the payment rates for individual hospitals are adjusted appropriately to account for differences in factors (other than management efficiency) that affect hospitals' costs. Therefore, the design of PPS includes a set of payment rate adjustments that allows for differences among hospitals in the mix of outputs they produce and in local economic conditions. Through these adjustments, PPS attemps to ensure that the financial risks imposed on hospitals are appropriate and reasonably within the control of hospital management. These features also help to ensure equitable treatment of all hospitals, Medicare beneficiaries, and geographic areas.

Ensuring and Maintaining Payment Equity

In this section the Commission discusses the payment adjustments and other PPS policies designed to recognize that hospitals produce different mixtures of services under a wide range of local economic and social conditions. This is followed by a discussion of PPS policies regarding the problem of updating the payment rates over time.

Principles and Design Issues

Hospitals differ in the mix of patients and in the mix of other outputs they produce, such as medical education and training. Hospitals also produce these outputs under varying local conditions, such as previling wage levels for hospital workers. These factors affect hospitals' costs of furnishing inpatient care to Medicare beneficiaries.

In setting PPS payments rates, failure to recognize these factors would create inappropriate variations in the amount of financial risk hospitals face under Medicare. Moreover, some hospitals would be rewarded, while others would suffer financial losses due to factors beyond their control. These inequities could eventually lead to undesirable variations in access to the quality of care.

To avoid these potential outcomes, Congress included a set of payment adjustments, exceptions, and exclusions in the design of PPS. These policies are based on four principles that identify hospital circumstances and local conditions PPS should allow for: (1) the multiproduct nature of hospital output, (2) the impact of local economic and social conditions beyond a hospital's control, (3) the implications of certain extraordinary circumstances, and (4) the limitations of current PPS payment methods for certain types of hospitals and for certain components of hospital costs.

To a large degree, these principles reflect policy-makers' beliefs regarding the appropriateness of various sources of historical variation in the cost of impatient care. They also reflect judgments about the degree to which differences in service utilization are within hospitals' control. Acute care hospitals pursue generally similar goals using similar technolgies and resources. However, their average costs per case within each DRG may differ for several reasons. Hospitals produce varied mixtures of other outputs, such as teaching and research, in addition to inpatient care. Hospitals located in different areas face different prices for the goods and services they must purchase to provide inpatient care. In addition, the quantities and mixtures of inpatient services provided per case vary among hospitals and geographic areas. Finally, hospitals differ in the quantities and mixtures of labor and other resources they use to produce individual services.

The Multiproduct Nature of Hospital Output

Hospitals differ substantially in the mix and complexity of the cases they treat, and in the other outputs they produce, such as teaching and research. The design of PPS includes specific payment adjustments to allow for the cost implications of these differences.

Medicare Case Mix—Under a DRG-specific, per-case payment system like PPS, payments to hospitals are adjusted automatically to allow for differences in the expected costs of treatment due to variations in the mix of Medicare cases. However, as the Commission noted in the section on PPS incentives, the effectiveness of this adjustment depends on the accuracy and specificity of the DRGs and the relative weights.

Ensuring that the distribution of PPS payments accurately reflects the impact of variations in Medicare case mix is a major responsibility of the Commission. The DRG patient classification system continues to provide an adequate basis for hospital case-mix measurement. However, ProPAC believes that significant improvements are possible. In Chapter 2, the Commission again recommends improvements in the case-mix measurement system, including the International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM) diagnosis and procedure coding system, the foundation for DRG definition and patient assignment.

Hospital Teaching Activity—Some hospitals also operate graduate medical education and training programs. These activities generate additional direct costs, such as salaries and fringe benefits for teaching and support staff and residents. Teaching programs also may affect cost indirectly through differences in the range of services and technologies offered, in the average severity of illness of the patients admitted, and in service utilization patterns. As a result, hospitals engaged in teaching and research may provide a greater volume and a more expensive mix of services per case. Therefore, the average cost per case may be higher in these hospitals than in otherwise similar institutions.

PPS recognizes the indirect costs of medical education programs by applying a hospital-specific percentage adjustment to each teaching hospital's total DRG payments. This is called the indirect medical education (IME) adjustment. The size of the adjustment varies according to the intensity of the hospital's graduate medical education activities. The direct costs of teaching programs are excluded from PPS and paid on a separate, prospective basis.

Congress has consistently taken the position, and ProPAC agrees, that the Medicare program should continue to pay for its share of medical education costs. Nevertheless, the Commission plans to continue to examine the level of this adjustment. A recommendation for further improvements in the indirect medical education adjustment is included in Chapter 2.

Serving a Disproportionate Share of Low-Income Patients—Another aspect of a hospital's mix of cases and hence its output arises from differences in the socioeconomic characteristics of the patient populations served within an area. Research undertaken by ProPAC and by the Congressional Budget Office showed that hospitals serving a disproportionate share of low-income patients tend to have higher costs for Medicare cases than otherwise similar hospitals. Congress responded by creating a percentage add-on adjustment that is applied to the total DRG payments of qualifying hospitals.

The size of this adjustment is generally based on the sum of two components. The first is the share of the hospital's Medicare patient days furnished to patients who are also eligible for benefits under the Supplemental Security Income program. The second is the share of the hospital's total patient days provided to Medicaid beneficiaries. However, the adjustment also differs according to the hospital's bed size and its location in an urban or a rural area. In addition, hospitals that receive more than a certain percentage of their total patient revenues (excluding Medicare and Medicaid payments) from state and local government appropriations for indigent care are given a fixed percentage adjustment.

The Commission believes that both the indirect medical education and disproportionate share adjustments are achieving the purposes for which they were intended. These adjustments, however, interact with each other and with other components of the payment formula. In addition, the underlying factors explaining the observed differences in costs for these hospitals are poorly understood. Therefore, the Commission plans to continue to evaluate the appropriate level of these adjustments and the impact of the interactions between them.

Local Economic and Social Conditions

Hospitals' costs also may vary due to differences in the economic and social conditions of their communities. The design of PPS includes payment adjustments to allow for some differences in local conditions. However, these adjustments are limited to factors that are readily measurable and are clearly and directly related to variations in hospital costs among communities.

Variations in Input Prices—The unit prices a hospital must pay to purchase inputs, such as labor and supplies, differ from one local market to another. Variations in wages and fringe benefits for hospital workers may affect as much as 75 percent of a hospital's costs. Therefore, if other things were equal, a hospital located in a labor market area where unit labor rates are 10 percent above the national average would be expected to have costs per case approximately 7.5 percent above the national average.

PPS recognizes geographic differences in wages and salaries for hospital workers. The DRG payment rates are adjusted based on a wage index that measures the relative level of hourly wages for hospital workers in each labor market area compared with the national average hospital hourly wage. This adjustment is the single most important factor affecting the distribution of PPS per-case payments among hospitals. Therefore, the Commission has devoted substantial resources to evaluating the accuracy of the labor market areas and the construction of the wage index. Based on this analysis, ProPAC believes that improvements are necessary in the definition of hospital labor market areas and in the data used to calculate the wage index. The Commission has recommended specific improvements previously and is again making a recommendation this year.

Variations in prices for other goods and services, such as food, medical supplies, fuel, electric power, and insurance, appear to be much smaller and less important. The Commission's examination of variations in non-labor prices, however, has been hampered by the lack of data at the local level.

Variations in Other Local Conditions—Hospitals' costs also may vary in response to a variety of other local circumstances. For example, hospital costs may be affected by the social and economic characteristics of the population residing in each area. Differences in population characteristics may result in variations in the average length of hospital stays and in patient needs for additional services, such as social services and discharge planning. Moreover, these effects may differ among the hospitals within an area because they serve distinct subgroups of the local population.

Unexplained factors, such as variations in medical practice patterns, also contribute to differences in hospital costs among areas.

Similarly, the availability of other health services and resources, such as outpatient care, skilled nursing facility care, and the number and specialty mix of physicians, varies among geographic areas. As a result, hospitals located in different areas draw on widely different resources to meet patient needs. These variations in community resources may account, at least in part, for variations in length of stay and service intensity patterns observed among areas.

However, these factors are not readily measurable for all geographic areas. In addition, the relationships between these factors and hospital costs are not well understood.

Differential Standardized Payment Amounts—Policymakers responded to these uncertainties by attempting to provide rough justice in the treatment of different geographic areas. It was initially thought that if the DRG rates were set using a single national average standardized payment amount, then urban hospitals would be penalized because of their relatively higher operating costs. On the other hand, rural hospitals, with much lower average costs per case, generally were expected to make large financial gains.

To avoid these outcomes, Congress decided to establish separate standardized payment amounts for urban and rural areas based on the historical average cost experience of each group. This policy appears to have favored urban hospitals relative to rural hospitals. Congress and the Commission have repeatedly revisited this issue over the last few years, using differential annual updates and other policy changes to reduce the payment differential between the two groups. This year, the Commission is recommending that the difference between the urban and rural standardized amounts be phased-out over a three-year period.

Policymakers also have raised the issue of payment inequities among urban areas. Under PPS, large urban areas are defined as Metropolitan Statistical Areas (MSAs) with a resident population of 1 million or more persons. Other urban areas include all other MSAs. Historically, hospitals located in large urban areas have experienced higher Medicare operating costs per case than hospitals located in other urban areas. This holds true even after accounting for differences in case mix, teaching activity, disproportionate share status, and local hospital wage levels. Although a single standardized payment amount was originally applied in all urban areas, Congress later created distinct payment amounts for large urban areas and other urban areas.

Currently, hospitals located in large urban areas receive a higher standardized payment amount than hospitals located in other urban areas. The Commission is reexamining the advisability of maintaining separate urban payment amounts. Rather than recognizing unexplained cost differences through separate urban and rural standardized payment amounts, it would be preferable to identify and adjust for specific local market factors as appropriate. ProPAC believes this can be accomplished through improvements in current adjustments like the DRGs and the wage index or, if necessary, the development of new adjustments.

Recognizing Extraordinary Circumstances

Congress recognized that two specific groups of hospitals might be unfairly treated by PPS: rural referral centers and Sole Community Hospitals (SCHs). Rural referral centers are generally larger rural hospitals that serve a more costly mix of Medicare patients and treat patients referred from other rural hospitals. Consequently, these hospitals may provide a volume and mix of inpatient services more like those of urban hospitals. Rural referral centers are paid according to the standardized payment amount for other urban hospitals.

Sole Community Hospitals are generally located in isolated areas and represent the sole source of inpatient care reasonably available to residents of the immediate area. These hospitals also tend to be small and are believed to be especially vulnerable to the financial impact of wide fluctuations in local demand for inpatient care. Under PPS, they are paid largely on the basis of their own historical cost experience and only partially on the basis of PPS payment rates. In addition, an SCH is eligible for an adjustment to its Medicare payments if its total volume of admissions decreases by more than 5 percent in a year.

The Commission is examining the problems of referral centers and Sole Community Hospitals and will comment further as this work proceeds.

Recognizing the Limitations of PPS

Policymakers also recognized that PPS could be inappropriate for certain types of hospitals and for certain components of hospital costs.

Excluded Hospitals—Hospitals or distinct-part units primarily organized to provide pshyciatric, rehabilitation, pediatric or long-term services were excluded from PPS. In addition, hospitals located in outlying geographic areas (Puerto Rico, the Virgin Islands, Guam, and the Trust territories) were excluded. Congress subsequently enacted a modified version of PPS for hospitals located in Puerto Rico. The remaining hospitals continue to be paid based on their costs of providing services to Medicare beneficiaries, subject to the target rate of increase limits established in TEFRA.

Hospitals located in states with approved state hospital reimbursement systems also were exempted from PPS. These hospitals are paid for inpatient services rendered to Medicare patients under the state's reimbursement system. Initially, hospitals in New York, New Jersey, Maryland, and Massachusetts were exempted under this policy. Currently, however, only hospitals located in Maryland and in the Rochester area of New York State are paid under alternative state reimbursement systems.

Excluded Components of Costs—In addition, certain components of costs were excluded from the calculation of the standardized payment amounts. Capital costs (rent, interest, depreciation, and certain insurance costs) and certain other costs, such as those for organ acquisition and services provided by certified registered nurse anesthetists, are excluded from the calculation of the standardized payment amounts and, therefore, from the DRG payment rates. These costs are reimbursed separately on the basis of Medicare's share of the actual costs incurred.

Congress excluded capital costs because they vary among hospitals in a manner that is largely unrelated to the hospital's case mix or other factors that affect total DRG payments. Instead, these costs depend on factors such as the number of years elapsed since the hospital completed its most recent large investment project, the extent to which the project was financed by borrowed funds, and the level of interest rates.

To avoid penalizing hospitals with large recent capital investment projects, Congress excluded capital costs pending development of an acceptable method for including them in the DRG rates. However, payment of capital costs on the basis of incurred costs also creates financial incentives for hospitals to substitute capital for labor and other resources in the production of patient care. Ultimately, this could result in reduced efficiency.

Both the Secretary of HHS and the Commission have recommended methods for including capital costs in the DRG payment rates. Until now, however, Congress has rejected these proposals. Current law requires the Secretary to include payments for capital costs in the Secretary to include payments for capital costs in the DRG payment rates, starting with hospital cost reporting periods beginning during fiscal year 1992. Similar provisions have been included in prior law, but Congress has not allowed them to take effect. Therefore, it is not clear that current law will be implemented as scheduled. In the meantime, capital costs generally are reimbursed on the basis of 85 percent of Medicare's share of the hospital's incurred costs.

The Current PPS Payment Formula

Under these policies, the current payment formula contains numerous features designed to improve the distribution of payments among hospitals. Each hospital is paid a separate fixed payment rate per discharge in each DRG. While the PPS payment rates are based on national average standardized amounts and national average DRG weights, the level of the rates differs substantially from hospital to hospital.

One of the original aims of those who designed PPS was to simplify the way Medicare paid hospitals. The current system is far from simple. Nevertheless, the Commission believes that ensuring payment equity is essential to controlling increases in hospital costs while maintaining access to high-quality care.

However, hospitals are still experiencing wide variations in financial performance under PPS. The Commission continues to examine this subject and the extent to which further improvements in patient classification, calculation of the wage index, or other adjustments may be needed.

Adjusting the Payment Rates Over Time

The final major problem in the design of PPS is how to adjust the level and distribution of payments to respond appropriately to changes in economic conditions. Policymakers anticipated that key

features of the payment system would need to be revised as technology, practice patterns, and other economic conditions change over time. The design of PPS includes specific adjustment mechanisms that provide for an annual update of the standardized payment amounts, the definitions of the DRGs and the relative weighting factors, and periodic updating of the area wage index. Revisions of other features of PPS, such as the outlier payment policy and the medical education and disproportionate share adjustments, have been undertaken as problems have been identified.

The Annual Update Factor

In the original statute, Congress provided for updating the payment rates annually through an update factor applied to the standardized amounts. The update factors for the first two years (fiscal year 1984 and fiscal year 1985) were set in the law. They were based on the projected increase in the hospital market basket index plus an allowance for the impact of scientific and technological advances. The market basket index measures changes in the prices of the goods and services hospitals must purchase to provide inpatient care. The allowance for scientific and technological advances was originally set at one percentage point for both years, but later reduced to one-quarter of one percentage point for fiscal year 1985.

Update factors for succeeding years were to be set by the Secretary through the regulatory process, taking into account the recommendations of ProPAC. In practice, however, Congress has enacted an update factor for each year. The Commission has continued to make its annual recommendations to the Secretary, and Congress uses ProPAC's analyses and recommendations along with similar advice from the Secretary to make the final adjustment.

The annual update factor is intended to adjust hospitals' DRG payments per case for changes in factors that are expected to affect the cost of efficiently providing inpatient care to Medicare beneficiaries during the coming year. In developing its recommendations, ProPAC is required to take into account the need to maintain the quality of care and to promote efficiency in the production of inpatient care.

To make these judgments, the Commission divides the update into two components: projected increases in the market basket index, and all other factors relevant to updating the payment rates.

Updating for Changes in Input Prices—Inflation in the prices hospitals must pay for the resources they need to furnish inpatient care would be expected to raise their average costs per case. Therefore, the DRG payment rates should be adjusted to reflect the projected increase in the market basket index. Over the years, the Commission has recommended and the Secretary has adopted numerous improvements in the market basket to measure input price changes more accurately.

Updating for Other Factors—Changes in other factors may positively or negatively affect average costs per case. The effects of these factors are incorporated into the annual update by adding to, or subtracting from, the projected increase in the market basket index. Technological and scientific advances, for example, are generally expected to increase the average cost of care. Improvements in hospital productivity are expected to have the opposite effect. Thus, a positive adjustment is generally provided to allow for the expected impact of scientific and technological change. A negative adjustment is provided to reflect the Commissions' judgment regarding achievable goals for productivity improvements in the industry.

Changes in hospital utilization behavior also may affect hospitals' average costs per case. For example, shifting services, such as diagnostic tests previously provided during an inpatient stay to other sites of care, would be expected to reduce the cost of care. In the early years of PPS, these effects were addressed through appropriate adjustments to the update factor. More recently, however, the Commission has indicated that such an adjustment is no longer necessary.

Offsetting Changes in Case Mix—Finally, the Commission considers the impact on DRG payments of expected changes in the mix of Medicare cases reported by hospitals. Under PPS, hospitals' average per-case payments increase automatically if the reported mix of Medicare patients shifts toward DRGs with higher relative weights. Such shifts are reflected in increases in the Medicare case-mix index (CMI), which measures the average relative weight per case.

However, increases in the case-mix index may be caused either by a real shift in the types of Medicare patients treated, or by changes in hospital recordkeeping and reporting practices that affect the assignment of cases among the DRGs. Real changes in case mix would be accompanied by real changes in average costs per case. Changes in case mix due to reporting practices, however, would not affect costs per case. To the extent that increases in payments arise from changes in reporting practices, DRG payments would be artificially inflated above the level necessary for efficient treatment. Therefore, the expected increase in payments due to reporting practices is deducted in arriving at an overall update recommendation for the coming year.

Changes in Service Intensity—In the first year of PPS, hospitals significantly reduced the number of services provided per case to Medicare beneficiaries. Subsequently, however, the volume of services furnished per case has increased. One of the Commission's most difficult decisions is to determine how much of this increase in intensity of services should be recognized through higher update factors. ProPAC believes that increased intensity of services related to real changes in the mix and the complexity of patients within each DRG should be recognized through a higher update factor. However, the Commission has continued to recommend that additional costs associated with new medical advances generally should be financed by improvements in hospital productivity.

The Commission is aware of the difficulties hospital management faces in controlling the growing use of services by physicians. Nevertheless, to achieve the goals of PPS, ProPAC thinks it is necessary to continue to provide strong financial incentives to ensure that hospitals and physicians furnish only those services that are necessary to provide high-quality care.

In the first few years of PPS, the same update factor was applied to the base payment amounts for both urban and rural hospitals. In addition, this update factor was used as the target rate of increase allowed for hospitals excluded from PPS. More recently, differences in the experience of these hospital groups have led the Commission to recommend and the Congress to adopt differential annual updates for each group. In addition, Congress has provided a slightly higher update for hospitals located in large urban areas.

Updating the DRG Relative Weights

Applying the relevant annual update factor to the standardized payment amount for a group of hospitals results in a proportional increase in the per-case rates for all DRGs for those hospitals. Policymakers understood, however, that changes in technology and practice patterns could alter the relative use of resources among the DRGs. They also recognized that the DRG patient classification system and the underlying diagnosis coding system (ICD-9-CM) were imperfect. Therefore, they provided mechanisms for periodic revision of the DRG definitions and the DRG relative weights.

In the original statute, the Secretary was required to adjust the DRG definitions and the relative weights at least every four years. Based on the Commission's recommendation, subsequent legislation requires annual revision of the DRG definitions and annual recalculation of the DRG relative weights. As a result, the DRG definitions are revised each year to address patient classification issues raised by ProPAC, the hospital industry, or other interested parties. The relative weights are recalculated each year using the most recent billing data available at the time. These changes generally result in more accurate and equitable payments among DRGs and hospitals.

Updating the Wage Index

Updates and revisions to the hospital area wage index were initially left to the discretion of the Secretary. However, a number of flaws in the wage data and in the construction of the index soon became apparent. Consequently, the Secretary was required to obtain new hospital wage data and to implement a new wage index.

In recent legislation, Congress required the Secretary to update the wage index for fiscal year 1991 and at least every three years thereafter. To meet this requirement, HHS has implemented a survey to collect 1989 data on hospital wages and hours and fringe benefit costs.

By incorporating these features in the design of PPS, policymakers attempted to ensure that the DRG payment rates would be adjusted to reflect changes in technology, practice patterns, and other economic conditions. Appropriate financial incentives and equity of treatment, therefore, could be maintained over time.

In the next section, the Commission assesses the overall performance of this design. In making this assessment, ProPAC believes it is important to recognize that a solution to one problem may create other problems, which then must be resolved. Many of the potentially undesirable consequences of PPS result from design considerations and methods of PPS that policymakers believed were necessary to achieve important but somewhat conflicting goals. As these consequences are identified, other adjustments must be made to restore payment equity and to ensure that Medicare beneficiaries continue to have access to high-quality care.

Overall Design and Performance of PPS

After six years of operation, the Commission believes that PPS has partially met its key goals. During this period, the rate of increase of Medicare expenditures for hospital inpatient care has slowed dramatically, although the growth of expenditures for outpatient services has continued unabated. In addition, PPS reduced the rate of increase in hospitals' Medicare costs per case, especially during its first year. While hospitals' Medicare costs are still increasing rapidly, the rate of increase in program spending for inpatient care appears to be lower than it otherwise would have been under the old cost reimbursement policy.

These outcomes have been achieved without discernible serious effects on Medicare beneficiaries' access to inpatient care or on the quality of the inpatient care they receive. Clearly, much more research is needed to improve measurement of access to care and the quality of care. Since the introduction of PPS, however, the Commission has not found evidence of substantial or systematic changes in either dimension of inpatient care for the Medicare population.

Nevertheless, in other respects, the results to date are somewhat mixed. PPS has not always produced the kind or magnitude of effects that policymakers anticipated. Some of the observed trends in hospital behavior were not expected. Other responses to PPS have been uneven.

The Impact of PPS Incentives on Hospital Costs

Policymakers intended that PPS would lower the rate of increase of hospitals' Medicare costs and control the growth of program expenditures by creating financial incentives for hospitals to use inpatient resources more efficiently. The underlying assumption was that hospital management would respond to these incentives by improving hospital productivity. In addition, management was expected to be able and willing to influence attending physicians to reduce the volume of inpatient services or use a less costly mix of services in treating Medicare patients.

The Commission believes that PPS has created the intended financial incentives. Hospitals responded strongly to those incentives in the first year of PPS by reducing employment, changing the mix of staffing, and improving productivity. They succeeded in reducing the average length of stay for Medicare patients by far more than the historical trend, even though relatively short-stay types of cases were increasingly being treated in other settings. In addition, they were able to influence physicians to shift some services previously provided on an inpatient basis, such as diagnostic tests, to other sites of care.

These changes dramatically reduced the rate of increase of hospitals' Medicare costs per case during the first year. However, these responses diminished rapidly, virtually disappearing by the third year of PPS. Consequently, the rate of increase in hospitals' Medicare costs per case quickly returned almost to previous levels.

The Commission believes this pattern of response occurred for several reasons. Hospital management's initial response was based on the expectation that PPS would create strong financial pressure. However, the actual payment rates in the early years of PPS were generally well above the level of most hospitals' Medicare costs. As a result, most hospitals faced little financial pressure to continue to respond during the next few years. Moreover, the Medicare program accounts for less than one-half of total inpatient revenues for most hospitals. Therefore, the influence of PPS incentives may have been diluted by conflicting financial incentives created by other payers. Perhaps most important, hospitals face many other pressures to expand the scope and sophistication of the services they offer. When financial pressure is low, PPS payment incentives may simply be overwhelmed by other more immediate forces.

The Commission does not believe this analysis should be alarming. PPS payment rates have been declining relative to most hospitals' Medicare costs per case. Both the financial pressure on hospitals and the strength of PPS incentives have been increasing over the last several years. Therefore, it could be argued that PPS has just reached the point where its impact should begin to be felt.

The data needed to evaluate the extent and the nature of more recent hospital responses are not yet available. According to some recent analyses of earlier data, however, hospitals that had relatively high Medicare costs compared with their PPS payment rates experienced lower rates of increase in costs than hospitals that were relatively well-off under PPS. The means these hospitals used to control costs, whether through improving productivity or encouraging physicians to eliminate services they otherwise would have provided, remain unclear. Consequently, the degree to which the key behavioral assumptions of PPS hold true is uncertain.

In the Commission's view this issue is crucial to understanding whether and to what extent PPS can continue to meet its goals in the future. Therefore, continued research in this area will remain high on ProPAC's analytic agenda.

Trends in Admissions and Expenditures for Inpatient Care

Because PPS is a per-case payment system, changes in the volume of Medicare hospital admissions have a major impact on both Medicare spending and hospital financial condition. Much of the reduction in the rate of increase of Medicare expenditures for inpatient care is due to declinesin Medicare admissions that occurred during the first four years of PPS.

The Commission believes these declines are attributable to several factors. PPS was implemented in the middle of a period of generally falling hospital utilization. ProPAC analyses have shown that admissions began to decline among the population under age 65 in 1982. Admissions of Medicare patients continued to increase slowly until 1984, when they fell for the first time. However, admissions for the population under age 65 have continued to decline at significant rates.

Although the threat of PRO review may have contributed to the Medicare experience, it cannot account for changes in hospital utilization among the non-Medicare population. Other payers, however, also have introduced more stringent utilization review procedures. The Commission believes that declines in admissions for both groups reflect a combination of changes in medical technology, which permitted treatment of many patients in outpatient and ambulatory sites of care, and changes in coverage and payment policies for these services.

Financial Effects of Declining Hospital Utilization

Although the decline in Medicare admissions reduced the rate of growth of Medicare expenditures for inpatient care, the Commission is concerned about other effects of this trend. Because PPS is a per-case payment system, a hospital's PPS payments tend to fall roughly in proportion to its decrease in Medicare admissions. However, the hospital's Medicare costs may not decline as much as its payments. This may occur because the hospital is slow to respond to an unanticipated decrease in admissions. Alternatively, hospitals may not be able to adjust staff levels and fixed costs in proportion to the change in revenue.

Similarly, a hospital's costs for treating Medicare patients can be affected by changes in the patterns of care for other patient groups. For example, a hospital's Medicare costs will tend to increase when admissions of non-Medicare patients decline, even if its Medicare admissions remain constant.

In either case, both the amount of financial risk and the strength of the financial incentives experienced by a hospital under PPS may increase when its volume of Medicare and non-Medicare admissions declines. This problem may be exacerbated if the hospital is small or the decline in admissions is very large.

The Commission is concerned that PPS may impose especially heavy penalties on hospitals that have experienced large declines in patient volume. For example, payment rates for rural hospitals were calculated on the basis of Medicare costs reported by those hospitals during 1981. Thus, they reflect the volume of admissions of Medicare and other patients treated during that year. From 1981 to 1987, however, total admissions to rural hospitals have declined, on average, about 6 percent annually. The

average rate of decline is even greater for small rural hospitals (those with fewer than 50 beds).

In recent years, the Commission has recommended and Congress has granted higher annual updates for rural hospitals. Moreover, other policy changes have been made to improve the adequacy of PPS payments to such hospitals. However, most of these policy changes have increased PPS payments uniformly for all rural hospitals. ProPAC remains concerned that large declines in admissions may have had an especially adverse impact on the financial viability of some rural hospitals.

Hospital Closures and Access to Inpatient Care

A related problem is that increasing numbers of small and rural hospitals have closed in recent years. There is widespread concern that continuation of this trend may threaten access to care or the quality of care received by Medicare beneficiaries. In response to this concern, ProPAC has undertaken an ongoing analysis comparing hospitals that have closed with similar hospitals that have remained open. This analysis suggests that hospital closures to date generally have occurred among hospitals with extremely low occupancy rates. In many instances, hospital closures have occurred in communities served by several other hospitals. Therefore, most closures have had little or no effect on access to care for Medicare beneficiaries.

Research funded by the Commission also has examined the per capita hospital usage patterns of Medicare beneficiaries living in rural areas during the first three years of PPS. At that time Medicare admissions to small and rural hospitals were declining rapidly. The per capita use rates of both urban and rural beneficiaries declined somewhat during this period. Yet there is little indication that beneficiaries in rural areas experienced a significant loss of access to inpatient care. Population-based admission rates for high-technology services increased during the period for these beneficiaries, but much of this care was obtained in urban hospitals. Moreover, rural beneficiaries' per capita use rates for other types of services generally remained higher than comparable rates for beneficiaries living in urban areas in the same states.

These results suggest that the declines in Medicare admissions to small rural hospitals that have occurred so far represent changes in the site of care and shifts in the pattern of rural hospital usage by Medicare beneficiaries. ProPAC has not found evidence to indicate that access to care or the quality of inpatient care have decreased for these beneficiaries. Additional study is necessary, however, to understand better the ongoing pattern of hospital closures, the availability of alternative services, and the impact on access and quality of care for Medicare beneficiaries.

Variations in Hospital Financial Performance

A related issue is raised by the wide variability of financial outcomes under PPS. In designing PPS, policymakers recognized that hospitals' costs would vary in response to a number of factors other than management efficiency. The factors they identified included the mixture of outputs hospitals produce and the variety of local circumstances in which they operate.

Some factors in the local environment, however, are not considered in determining PPS payments because they are difficult to measure or their relationship to hospital costs is not well understood. For example, the socioeconomic characteristics of the local population and the availability of other health services and resources may account for some of the variation in hospital costs observed among areas. These factors may explain some of the historical differences in costs between urban and rural hospitals. On average, hospitals located in rural areas consistently have had Medicare inpatient operating costs per case roughly 40 percent lower than those of hospitals located in urban areas. While a substantial portion of this difference is explained by factors that PPS recognizes, such as differences in case mix, local wage levels, and teaching activity, some of the difference is attributable to other factors.

These factors create problems for two reasons. First, it is difficult to measure and understand the complex relationships between the demographic and socioeconomic characteristics of communities and the utilization and cost experience of the hospitals that serve them. Second, it is even more difficult to measure the relationship between observed service utilization and cost patterns and quality of patient care. Consequently, it is difficult to identify specific factors that could be used to adjust the DRG payment rates appropriately to reflect differences in community characteristics.

The Commission believes that the adequacy of the current payment adjustments remains one of the central policy dilemmas of PPS design. Congress and ProPAC have repeatedly revisited this issue over the last few years, using differential annual updates and other policy changes to attempt to fine-tune these adjustments. Yet the wide variability of hospital financial performance under PPS suggests that the current set of payment adjustments does not capture some key sources of cost variation. The Commission believes that resolution of this problem is crucial to the continued ability of PPS to meet its most important goals. Therefore it will have a prominent position on ProPAC's future analytic agenda.

Continuing to Improve PPS

The Commission believes that PPS has partially met its main goals. The move from cost reimbursement to prospectively determined per-case payment rates created financial incentives for hospitals to control the costs of care. In the early years, these incentives were relatively weak because the PPS payment rates were higher than policymakers intended. More recently, the incentives have become stronger as the financial pressure of PPS has increased. As this trend continues, however, the design features of the system need to be reviewed even more carefully to ensure both adequacy and equity of payments among hospitals and geographic areas. In the next chapter, the Commission presents its recommendations for PPS improvements for fiscal year 1991.

Chapter 2—Recommendations

The Commission's recommendations for fiscal year 1991 are the result of a continuing process of agenda setting, information collection, analysis, and deliberation. ProPAC selects issues for consideration to conform with its statutory mission and to contribute to an open policy debate on matters of substantial importance to beneficiaries, hospitals, and the Medicare program.

ProPAC's analysis and decision making are guided by a set of interrelated priorities. These priorities were developed in the context of the goals, principles, and design features of PPS described in Chapter 1. They provide the underlying basis for the Commission's recommendations on updating the payment rates and improving PPS. They include:

• Ensuring beneficiary access to high-quality health care;
• Encouraging hospital productivity and long-term cost-effectiveness;
• Facilitating innovation and appropriate technological change;
• Promoting equity in the distribution of payment to hospitals;
• Maintaining stability for providers, consumers, and third-party payers; and
• Making decisions based on reliable, timely data and information.

The Commission has developed a process and guidelines for identifying and analyzing issues related to its responsibilities. Once the Commission establishes its policy agenda, ProPAC staff provides analyses that enable the Commissioners to make informed decisions about appropriate changes to PPS. The resulting recommendations reflect the collective judgment of the 17 Commissioners.

Some recommendations, such as those pertaining to the annual update of payment rates, are repeated in a similar format every year. In other instances, the Commission has reconsidered and amplified or modified past recommendations on the basis of new evidence. In addition, certain issues have been examined for which no recommendations were developed. These issues are briefly discussed later in this chapter.

Concern for reducing the Federal deficit and attaining a balanced budget continue to dominate public policy debate. Although ProPAC has not explicitly taken budgetary concerns into account, these recommendations were developed in recognition of a constrained fiscal environment. Furthermore, the Commission believes that budgetary pressures intensify the need to address distributional and technical payment issues that may bear on the access and quality of care furnished to Medicare beneficiaries.

Recommendations made previously, but not yet implemented by the Secretary, are still in effect. For example, the Commission considers it important for the Secretary to implement the recommendations concerning the definition of labor market areas and

evaluation of PRO review of quality of care, even though there are not additional recommendations on these topics this year.

The Commission's 15 recommendations fall into four issue areas:

- Updating PPS payments.
- Adjusting the PPS payment formula,
- Improving patient classification and case-mix measurement, and
- Improving the data used for decision making.

Overview of the Commission's Recommendations for Fiscal Year 1991

The first six recommendations pertain to the Commission's judgment of the appropriate change in Medicare payment levels for fiscal year 1991. In making recommendations on the update factor, the Commission is required by the PPS statute to:

. . . take into account changes in the hospital market basket, . . . hospital productivity, technological and scientific advances, the quality of care provided in hospitals (including the quality and skill level of professional nursing required to maintain quality care), and long-term cost-effectiveness in the provision of inpatient services.

The Commission must report its recommendations on the update factor to the Secretary of Health and Human Services no later than March 1 of each year, and

. . . taking into consideration the recommendations of the Commission, the Secretary shall recommend . . . an appropriate change factor . . . which will take into account amounts necessary for the efficient and effective delivery of medically appropriate and necessary care of high quality.

Since fiscal year 1986, Congress has set the update factor through legislation. Both ProPAC and HHS are thus advisers to Congress on aggregate payment increases under PPS. Nevertheless, the Secretary has an opportunity to evaluate ProPAC's recommendations before the HHS proposed update is published in regulations.

The Commission's first recommendation presents the overall amount of the update factor for PPS hospitals. Since the increase in per-case payments to hospitals is affected by considerations beyond the update factor, the Commission also presents its estimate of the overall change in payments that would result from its recommendation. Next is a recommendation on the structure of the hospital market basket. The following two recommendations cover components of the update factor: the discretionary adjustment factor (DAF) and adjustments for case-mix change. The fifth recommendation calls for eliminating the differential between the other urban and rural standardized payment amounts through differential updates. The final recommendation in this group addresses the update factor for PPS-excluded hospitals.

In the next section, the Commission recommends two changes in the PPS payment formula. These concern the indirect medical education (IME) adjustment and the collection of data for evaluating the effect of accounting for occupational mix in the wage index.

The Commission makes four recommendations this year related to patient classification and case-mix measurement. The first addresses improving the DRG classification system; the second calls for improving medical record coding and reporting. Next, the Commission recommends improving the use of complications and comorbidities (CCs) for DRG assignment. Finally, ProPAC proposes reassigning patients with Guillain-Barré Syndrome (GBS).

The last three recommendations involve improvements in the data used to support decision making. The first calls for improving the Medicare Cost Report (MCR) data used to calculate total margins. The other two recommend expanding the available information on Medicare beneficiaries and linking hospital and physician volume data.

The full text and discussion of each recommendation follows a presentation of other issues addressed by the Commission. Background information, data analyses, and alternative options considered are in Appendix A and in the ProPAC technical reports listed in Appendix C.

Other Issues Considered by the Commission

The Commission addressed several issues that have not yet resulted in recommendations, or are being reported separately to Congress. These related to the equity of PPS payment, payment for hemophilia treatment, payment to small rural hospitals, and payment for hospital outpatient services. In addition, a number of DRG classification issues were examined, with the Commission concluding that changes in DRG assignment were not necessary. Finally, although the Commission commits a significant portion of its resources to analyzing the impact of PPS, these findings do not appear here. They are reported to Congress in June of each year in *Medicare Prospective Payment and the American Health Care System.*

As part of its ongoing evaluation of PPS, ProPAC has continually examined issues concerning equitable distribution of payments to hospitals. For example, recommendations related to the separate payment amounts for urban and rural hospitals and the adjustment for teaching activity are included in this year's report. However, it has become increasingly evident that a broader examination of the factors that explain differences in hospital financial performance under PPS is necessary.

PPS margins data suggest that some hospital groups may be systematically over- or underpaid. It has also been suggested that special circumstances prevent certain hospitals from faring as well financially as the average hospital under PPS. Analyzing payment equity involves balancing competing interests. PPS should not penalize hospitals for factors beyond their management control. But at the same time, much of the observed variation in margins may be attributable to efficiency differences that should not be accounted for in the payment system. In addition, it must be remembered that a payment adjustment to assist one group of hospitals may require lower payments for others.

The relatively poor financial performance of hospitals with high Medicare utilization exemplifies why further analysis of payment equity is warranted. Concern has been raised that these hospitals may be more vulnerable than others because their ability to supplement Medicare payments from other sources is limited. ProPAC analysis indicates that for some hospitals there seems to be an inverse association between Medicare share of patients and PPS margins. However, no feature of PPS has been identified as causing the correlation.

By June 1, the Commission will issue a report on the appropriateness of making a PPS payment adjustment for hospitals treating a high proportion of Medicare beneficiaries. However, a definitive response to this issue may require a broader examination of why certain hospitals win and other hospitals lose under PPS. This should include the effects of both environmental and management factors. ProPAC intends to pursue this broader investigation in the coming year.

ProPAC conducted a study of hemophilia patients in 1989, culminating with a report to Congress in October. The cost of treating hemophilia patients has been rising due to substantial increases in the price of clotting factor concentrates. ProPAC's analysis found that the payment to cost ratio for Medicare hemophilia patients is significantly lower than the ratio for other Medicare patients.

The Commission recommended that a prospectively determined add-on payment for patients requiring the clotting factor be implemented. This add-on payment should be for a two-year period until the cost implication of new recombinant-DNA products for hemophilia treatment can be determined. Congress implemented this recommendation in the Omnibus Budget Reconciliation Act of 1989 (OBRA 1989) and has asked ProPAC to continue examining the subject.

As required by OBRA 1989, ProPAC has begun a study of Medicare payment options for rural sole community hospitals and other small rural hospitals. The feasibility and desirability of a cost-based reimbursement system for these hospitals, as well as a payment adjustment for decreases in inpatient volume, will be investigated. ProPAC will also examine alternative definitions of market share for use in determining eligibility for sole community hospital payment. A report on these issues will be submitted by May 1, 1990.

ProPAC is also conducting a congressionally mandated study of hospital outpatient payment under Medicare. The study will examine the causes of increases in Medicare outpatient payments, as well as the cost differences between hospitals and freestanding facilities. In addition, the effects of PPS payment, Medicare cost allocation rules, and PRO review on outpatient costs will be analyzed. A report addressing these issues will be submitted by July 1, 1990. A follow-up report on alternative methods for payment of outpatient services will be completed by March of 1991.

Recommendations For Fiscal Year 1991

Updating PPS Payments

Recommendation 1: Amount of the Update Factor for PPS Hospitals.

For fiscal year 1991, the PPS standardized payment amounts should be updated to account for the following factors:

- The projected increase in the modified PPS market basket recommended by ProPAC, currently estimated at 5.4 percent;
- A correction for substantial errors in the fiscal year 1989 market basket forecast, currently estimated at zero;
- A discretionary adjustment factor of zero; and
- A net—0.5 percent adjustment for case-mix change.

In addition, a positive adjustment of 2.1 percent for rural hospitals and a negative adjustment of 0.4 percent for large urban and other urban hospitals should be made to reflect the first year of a three-year phase-out of the differential in the standardized amounts between rural and other urban hospitals.

This recommendation reflects the Commission's judgment about the appropriate increase in the level of PPS prices for fiscal year 1991. It assumes that the Commission's other concerns regarding the payment formula and the DRG weighting factors are also addressed in establishing the fiscal year 1991 payment rules.

The Commission's recommendation would result in an estimated 4.9 percent average update factor for fiscal year 1991. This represents an increase of 7.0 percent for rural hospitals and 4.5 percent for urban hospitals. The separate adjustments for rural and urban hospitals are intended to constitute the first step in eliminating the differential between the standardized amounts for rural and other urban hospitals over a three-year period.

In the Commission's judgment, the recommended update factor reflects an increase appropriate to encourage the efficient provision of hospital care while maintaining access to quality care by Medicare beneficiaries. The numerical amount of ProPAC's update factor recommendation is likely to be modified as more current market basket forecasts become available. The components of the Commission's update factor recommendation are summarized in Table 1.

TABLE 1.—ESTIMATED PPS UPDATE FACTORS FOR FISCAL YEAR 1991 UNDER PROPAC RECOMMENDATIONS

Components of the Update Factor		
Components applied to all hospitals:		
Fiscal year 1991 market basket forecast [a]		5.4%
Correction for fiscal year 1989 forecast error		0.0
Components of discretionary adjustment factor		
Scientific and technological advancement [b]		
Productivity [b]		
Total discretionary adjustment factor		0.0
Adjustments for case-mix change		
Total DRG case-mix index change	2.7	
Real DRG case-mix index change	−1.5	
Within-DRG complexity change	−0.7	
Net adjustment for case-mix change		−0.5
Average update before additional adjustments		4.9
Additional adjustments to the standardized amounts:		
Adjustment for large urban areas	−0.4	
Adjustment for other urban areas	−0.4	
Adjustment for rural areas	2.1	
Total Update Factor		
Average update factor		4.9
Large urban	4.5	
Other urban	4.5	
Rural	7.0	

[a] Forecast of ProPAC-recommended PPS market basket by Health Care Financing Administration, Office of the Actuary, February 1990.

[b] In the Commission's judgment, the added costs for scientific and technological advancement can be funded by increases in hospital productivity. Therefore, these components of the update factor sum to zero.

The Commission believes that the standardized amount for rural hospitals should be increased to equal that of other urban hospitals over three years, or by fiscal year 1993. In OBRA 1989, Congress required the elimination of the differential by 1995. In ProPAC's view, the increase in the overall standardized amount should not raise the overall average update. Therefore, the Commission recommends an offsetting negative adjustment to the standardized amounts for large urban and other urban hospitals. In this way, the average update factor will be neither more nor less than it would have been if the current differential were maintained. In Recommendation 5, the Commission addresses elimination of the urban-rural differential in more detail.

Currently, large urban hospitals receive a higher standardized amount than other urban hospitals. Recent ProPAC analysis indicates that the difference between payment per case for large urban and other urban hospitals is comparable to the difference in cost per case. Therefore, the Commission recommends that large urban and other urban hospitals receive the same update this year.

The 5.4 percent forecasted market basket increase for fiscal year 1991 reflects the Commission's proposed modification to the market basket, which is presented in Recommendation 2. The forecast is based on the most recent data available. It does not, however, reflect rebasing of the market basket, planned by the Health Care Financing Administration (HCFA).

The Commission has also modified its forecast error correction methodology, which results in a correction factor of zero. ProPAC believes that only substantial errors in market basket forecasts used to update payment rates (those exceeding 0.25 percentage points) should be corrected. Furthermore, the forecast error correction should be based on actual data, not a forecast. This approach requires ProPAC to examine errors in the 1989 market basket forecast, which was used to update payment rates, rather than forecasts of errors in the 1990 market basket. Finally, the Commission believes that all errors in the forecast should be considered. Previously, ProPAC corrected only for errors in the forecasts of external price proxies. Errors in hospital industry proxies were not counted.

The update recommendation includes a discretionary adjustment factor of zero. The Commission believes that cost increases due to new technology should be financed by productivity gains. The discussion accompanying Recommendation 3 provides more detail on the Commission's DAF recommendation.

The increase in average per-case payments will be greater than the Commission's recommended 4.9 percent update (see Table 2). This is primarily because hospital payments automatically increase with increases in the case-mix index. Future changes in the case-mix index are difficult to project, however. Assuming that the overall fiscal year 1991 case-mix index change is 2.5 percent, which is consistent with currently available data on the trend in case-mix change, the average increase in per-case payments under the Commission's recommendation would be 7.4 percent. However, ProPAC expects that a portion of the additional payment due to case-mix change would be offset by the added costs of treating sicker patients. Recommendation 4 provides further discussion of case-mix change.

TABLE 2—ESTIMATED FISCAL YEAR 1991 AVERAGE INCREASE IN PER-CASE PPS PAYMENTS UNDER PROPAC RECOMMENDATIONS

PPS update factor	4.9%
Estimated case-mix index change	2.5
Total increase in average PPS payments [a]	7.4

[a] Most of the increase in payments resulting from case-mix index change will be offset by the increased costs of treating sicker patients.

In addition to the effect of the update factor, the PPS standardized amounts would increase as a result of the Commission's proposed change in the indirect medical education adjustment. In Recommendation 7, the Commission proposes reducing this adjustment from 7.7 percent to 6.8 percent in a budget neutral fashion. The reduced payments to teaching hospitals from the indirect medical education adjustment would be returned to the standardized amounts for

all hospitals. If Recommendation 7 is implemented, the estimated increase in the standardized amounts would be 0.6 percent for urban hospitals and less than 0.1 percent for rural hospitals (see Table 3).

TABLE 3.—TOTAL CHANGE IN PPS STANDARDIZED AMOUNTS DUE TO REDUCTION IN THE INDIRECT MEDICAL EDUCATION ADJUSTMENT

Update category	Total update factor (percent)	Change in standardized amounts [a] (percent)	Total change in standardized amounts (percent)
Average update factor	4.9	0.8	5.5
Large urban	4.5	0.6	5.1
Other urban	4.5	0.6	5.1
Rural	7.0	(b)	7.0

a The Commission recommends a reduction in the indirect medical education adjustment from 7.7 percent to 6.8 percent, with the difference returned to the standardized amounts for all hospitals.
b Less than 0.1 percent.

The rationale for the components of ProPAC's proposed update factor is presented in Recommendations 2 through 5 and accompanying discussions. Under current law, all hospitals would receive a fiscal year 1991 PPS update equal to the increase in the market basket. Adoption of the Commission's update recommendation would therefore require legislative action.

Recommendation 2: Market Basket Structure

The Commission believes the weight accorded to the hospital industry wage portion of the market basket should be increased to better reflect changes in hospital and other labor markets. The wage and benefit component of the market basket should be measured using a blend of 50 percent of the Employment Cost Index compensation series for hospital workers and 50 percent of nine non-hospital ECI compensation series reflecting the types of employees hospitals hire. The Commission also believes that contract labor expenses should be incorporated into the new compensation component in the market basket.

This recommendation reaffirms one that ProPAC made in its March 1989 report. The Commission understands that the Secretary is currently considering options for rebasing the hospital market basket. ProPAC strongly believes this recommendation would improve the validity and reliability of the market basket.

This recommendation would change the current construction of the hospital occupational index used in the market basket to measure changes in wages. More weight would be given to wage trends unique to the hospital industry. Currently, the effect of inflation on wages is measured by a combination of hospital industry and economywide wage measures. Hospital wages are about 30 percent of the wage component.

The Commission believes that the current market basket does not adequately recognize the unique characteristics of the hospital labor market. ProPAC does not believe, however, that inflationary pressure on wages should be represented in the market basket solely by measures of hospital response to these pressures. Rather, giving equal weight to hospital and non-hospital wage measures would appropriately reflect changes in the labor markets where hospitals must establish their wage and benefit levels.

In the Commission's opinion, it is inconsistent to treat employee benefits different from wages in the market basket since they are both part of an employee's total compensation. Some hospitals, for example, are allowing employees to trade benefits for salary, and vice versa. Furthermore, the current benefit price proxy used in the market basket is completely external to the hospital industry and may not measure changes in hospital employee benefits very well.

The Commission further believes that contract labor expenses should be included in the compensation component of the market basket, with a single combined weight for hospital employees and contract labor. This will make the market basket neutral to hospitals' decisions whether to hire employees or use contract personnel.

The Commission's recommendation would change the hospital market basket in several ways. First, the weight of the internal (hospital-specific) wage share in the hospital occupational index would be increased from 30 percent to 50 percent. The hospital occupational index is used to measure changes in wages in the market basket.

Second, a different set of price proxies would be used in the occupational index. The Employment Cost Index (ECI) is a price index developed by the Department of Labor to measure changes in the price of labor inputs for specific industries and occupational categories. There are two different sets of ECIs, one for employee wages and another for employee compensation, covering all wages and benefits. The Average Hourly Earnings (AHE) is a Department of Labor wage series that reflects changes in the average hourly wage rate for nonsupervisory workers in selected industries. The ECI, unlike the AHE, holds changes in employee skill mix constant. Both the ECI and AHE have series that cover hospital workers, although the ECI for hospitals was only recently developed.

The internal wage share in the index would use the ECI compensation series for hospital workers. The external wage shares would use the same set of occupational categories currently used in the index, but the price proxies would be the respective ECI compensation series for each employment category. Currently, the hospital occupational index uses a 50/50 blend of internal and external wage proxies only for the professional and technical worker category. The blend for this category is 50 percent AHE for nonsupervisory hospital workers and 50 percent ECI wage series for professional and technical workers. All other employee categories are measured using only external wage proxies.

Third, these changes would be applied to a new compensation component in the market basket. This component combines wages and salaries, benefits, and contract labor expenses into one weight in the market basket. The new hospital occupational index would be used to measure changes in employee compensation in the market basket.

Since employee compensation and contract labor expenses are about 68 percent of the overall market basket, internal price proxies would make up about 34 percent of the overall market basket weights. The overall internal proxy share in the current market basket is about 16 percent.

Besides increasing the proportion of hospital industry price proxies in the market basket, this new market basket construction is preferable to the current one for several other reasons. The wage and benefit coverage of the ECI compensation series is more complete than the wage and benefit price proxies currently used. The ECI effectively covers all employee compensation expenses: wages, benefits, and bonuses. Moreover, the ECI for hospitals covers all hospital personnel in all hospitals, whereas the AHE covers only nonsupervisory personnel in private hospitals.

Furthermore, the ECI, unlike the AHE, holds changes in employee skill mix constant. This is consistent with construction of the rest of the market basket, which has fixed weights for each non-wage component. Finally, the recommended construction would result in a more technically correct market basket. For more information on the recommendation, see Appendix A.

Recommendation 3: Discretionary Adjustment Factor

For fiscal year 1991, the net allowance for scientific and technological advancement and productivity improvement in the discretionary adjustment factor should be zero.

The discretionary adjustment factor incorporates considerations related to scientific and technological advancement and hospital productivity improvement, as provided in the statute establishing PPS. For fiscal year 1991, ProPAC did not attempt to quantify these components. The data led the Commission to conclude that reasonable ranges of the positive scientific and technological advancement allowance and the negative productivity improvement adjustment are roughly offsetting. The Commission believes it is important that the DAF continue to provide an incentive for hospitals to strive for productivity improvement.

The individual adjustments for scientific and technological advancement and hospital productivity improvement are discussed below.

Scientific and Technological Advancement—The scientific and technological advancement allowance is a future-oriented policy target. It provides additional funds for hospitals to improve services by adopting quality-enhancing, but cost-increasing health care advances.

The policy target must ultimately be based on judgment since it is impossible to enumerate all the technologies that meet this definition and to define their costs precisely. In order to develop a more informed judgment, however, the Commission examines a set of the most important new technologies and scientific developments. Estimates of the systemwide cost of adopting these technologies help ProPAC determine an appropriate increment to the hospital payment base.

This examination suggests that the standardized amounts would need to be increased by 0.7 percent, including the effects of new technologies either complementing or substituting for existing technologies. In the Commission's judgement, the amount should also be slightly higher than 0.7 percent to account for new technologies and changes in practice patterns not considered in its study.

As stated in previous reports, ProPAC believes that advances resulting in greater hospital efficiency do not require a special allowance because they should lower hospital costs. The effects of cost-decreasing technologies are considered implicitly in the productivity target.

The Commission's recommendation presumes that Medicare capital payments will be sufficient to accommodate capital expenses associated with the implementation of cost-effective new technologies and treatments. In addition, the allowance for real case-mix change finances part of the expenses associated with practice pattern changes that raise costs.

Hospital Productivity—The productivity allowance in the DAF is also a future-oriented target. Substantial gains in productivity were achieved by hospitals after the initiation of PPS. Since then, there have been two annual decreases in real case-mix adjusted productivity, followed by a small productivity gain in 1988. ProPAC believes it is appropriate to expect hospitals to achieve modest productivity improvement during fiscal year 1991. The Commission also determined that the Medicare program should not subsidize declines in productivity.

ProPAC believes that it is feasible for the costs of scientific and technological advancement to be financed by productivity gains. The recommended adjustment assumes productivity gains that are at least twice the range of likely cost increases for new technology. This reflects the Commission's policy that productivity gains should be shared equally by the Medicare program and the hospital industry. For more information on this recommendation, see Appendix A.

Recommendation 4: Adjustments for Case-Mix Change

For fiscal year 1991, the PPS standardized amounts should be reduced by 0.5 percent to account for increased payments from case-mix index change. This adjustment reflects:

- A 2.7 percent reduction for the estimated case-mix index change during fiscal year 1990,
- A positive allowance of 1.5 percent for real across-DRG case-mix index change during fiscal year 1990, and
- A positive allowance of 0.7 percent for within-DRG case-complexity change during fiscal year 1990.

ProPAC recommends an annual adjustment to PPS payments to account for increased hospital payment due to case-mix index change. The Commission believes that hospitals should be compensated for increased patient care resource requirements, termed real case-mix change, but not for medical record documentation or coding practice changes that affect DRG assignment, termed upcoding. Real case-mix change has contributed to the dramatic increase in the CMI since the implementation of PPS. Upcoding has also contributed to this increase. Because hospital payments automatically increase with the reported CMI, hospitals have been overpaid to the extent that CMI change is caused by upcoding. This overpayment is at least partially offset by within-DRG case-complexity change, which is real case-mix change that is not measured by the CMI.

To allow payments to increase for both components of real case-mix change, while removing the effect of upcoding, the Commission's recommendation has three parts. The first part is a negative adjustment for the CMI increase from the previous year. This is removed from the payment base because it includes the effects of upcoding. Two positive allowances are then made for real case-mix change. Total real case-mix change is the sum of across-DRG case-mix index change and within-DRG case-complexity change. This methodology allows hospital payments to increase for changes in the resources used to treat patients, but not for changes in medical record documentation and coding practices.

The CMI in 1989 increased an estimated 2.9 percent following a significantly larger change in 1988. Based on this estimate and previous trends in CMI growth, ProPAC projects that CMI change in 1990 will be 2.7 percent.

The estimate for real across-DRG case-mix index change is based on information from a recent study of real case-mix change sponsored by HCFA and ProPAC. The contractor reabstracted a sample of medical records from 1987 and 1988, applying consistent coding techniques. By comparing the reabstracted data with data coded by the hospitals on the same cases, the contractor determined that approximately one-third of 3.6 percent increase in the CMI for these cases was real. In a previous study using the same methodology, the contractor determined that one-half to three-quarters of the 2.1 percent increase observed in a sample of cases from 1987 was real. These data led the Commission to conclude that as case-mix change declines, the proportion that is real increases. The Commission believes that slightly more than half, or 1.5 percentage points, of the CMI change in 1990 is due to real changes in patients or their treatments.

The estimate for within-DRG case-complexity change is based on another recent study. The contractor developed range estimates of within DRG case-complexity change for 1986 through 1988 by applying two alternative patient classification systems to Medicare discharge data, while holding the DRG constant. The contractor estimated that case complexity increased by approximately 1.6 percent to 1.9 percent over this period. Change from 1987 to 1988 was about 0.8 percent. The Commission determined that case-complexity change in 1990 would be 0.7 percent. This estimate was based on applying the study findings to more recent data and acknowledging that the estimates may be overstated because of upcoding.

ProPAC estimated that during the first six years of PPS, CMI change generated payment rate increases that were nearly twice those resulting from the annual updates and all other policy changes affecting PPS payments. Given the importance of case-mix change and the failure of CMI change to diminish as much as expected over time, the Commission will continue studying this phenomenon. ProPAC found the information from the medical record reabstraction study to be valuable in making its recommendation and in understanding case-mix change. The Commission was pleased to collaborate with HCFA on this study and urges the agency to continue this joint effort to examine case-mix change. ProPAC also encourages HCFA to consider changing the PRO medical record sampling scheme so that the resulting SuperPRO database is more representative of total hospital cases. This would enhance the ability to analyze case-mix change as well as provide a useful data source for examining other issues related to PPS.

Recommendation 5: Eliminating the Differential between the Other Urban and Rural Standardized Amounts

The differential between the standardized payment amounts for hospitals located in Metropolitan Statistical Areas with fewer than 1 million people (other urban hospitals) and for hospitals located outside MSAs (rural hospitals) should be eliminated. Through differential updates, the rural standardized amount should be increased until it equals the other urban standardized amount. This should be accomplished by fiscal year 1993 in a budget neutral fashion. For fiscal year 1991, hospitals located in rural areas should receive an update of 7.0 percent, which is 2.5 percentage points higher than hospitals located in urban areas.

The standardized amounts are the base payment amounts under PPS. Separate urban and rural standardized amounts were established to reflect the historically lower Medicare costs of rural hospitals. The standardized amounts are computed based on hospitals' Medicare cost per case, adjusted for the effects of area wage differences, DRG case-mix, teaching activity, and care for a disproportionate share of low-income patients. Each year, the standardized amounts have been adjusted through an annual update factor. In the first year of PPS, the rural standardized amount was 20.2 percent lower than the urban standardized amount. The differential between average urban and rural standardized amounts narrowed to 7.8 percent in the seventh year of PPS (fiscal year 1990).

In 1981, when hospitals were paid on the basis of their costs, Medicare cost per case in rural hospitals was approximately 40 percent lower, on average, than the cost in urban hospitals. This difference has continued through at least the fifth year of PPS, fiscal year 1988, the most recent year for which Medicare cost data are available. Most of the difference in cost can be explained by factors that are recognized in the PPS payment formula, such as case-mix and area wages. A smaller portion is associated with factors such as practice patterns, severity of illness, and service mix that are not part of the payment formula.

In a new analysis of the differences between urban and rural hospitals' per-case costs and payments, the Commission found that, in general, urban hospitals have been systematically paid more relative to costs than rural hospitals. Rural hospitals' per-case costs have remained about 40 percent lower than those of urban hospitals, yet payments to rural hospitals have been about 45 percent lower. This is primarily because urban hospitals have had a much larger increase in payments from case-mix index change than rural hospitals. ProPAC analysis indicates that most of this difference in actual per-case payments occurs between hospitals located in MSAs with fewer than 1 million people and hospitals located outside MSAs.

The Commission believes that the payment system should explicitly incorporate factors, which are beyond the control of hospitals, that affect costs. Currently, the differential between the urban and rural standardized amounts implicitly includes some of these cost differences. Until these factors can be explicitly identified, however, the Commission believes that the differential between urban and rural standardized amounts should be eliminated. As cost differences are better measured and explained, other adjustments may become appropriate.

ProPAC recognizes that eliminating the differential will mean that differences between urban and rural hospitals costs, which are implicitly included in the payment system, will no longer be recognized. Consequently, some hospitals may receive higher payments relative to their costs than others. For this reason, the Commission will continue to examine whether it may be appropriate to include other payment adjustments to further refine PPS.

In the coming year, ProPAC will continue to review the relationship between per-case costs and payments for large urban, other urban, rural hospitals. The Commission will reconsider the appropriateness of the different standardized amounts for large urban hospitals and all other hospitals.

For some time, the Commission has been concerned about the problems affecting rural hospitals and the rural health care system, and their implications for access to needed health care. The relatively poor financial performance of many rural hospitals under PPS remains a concern. Thus, ProPAC will also reevaluate the appropriateness of PPS payment methods for small rural hospitals. The Commission is particularly concerned that these hospitals are more vulnerable to wide fluctuations in volume and case-mix than larger hospitals.

The distribution and equity of PPS payments among hospitals becomes increasingly critical to PPS policy as constraints on Medicare spending continue. The equity of PPS payments should be considered more broadly as well. Of the many pressures that rural and urban hospitals face, only some are attributable to PPS. Many other factors contribute to the overall financial condition of hospitals. The Medicare program should not be expected to solve all financial problems facing the hospital industry. Medicare cannot, however, ignore other issues potentially affecting continued access to hospital care for all Americans. For more information on this recommendation, see Appendix A.

Recommendation 6: Update Factor for PPS-Excluded Hospitals and Distinct-Part Units

For fiscal year 1991, the target rate of increase for excluded hospitals and distinct-part units should be determined separately from the PPS update factor. The target rate of increase should equal the projected increase in the appropriate market basket. Based on the Commission's most current information, the recommended rate of increase is 5.6 percent for fiscal year 1991.

The Commission's update recommendation for PPS-excluded hospitals and distinct-part units is determined primarily by projected increases in the market basket. In addition, the modified market basket structure discussed in Recommendation 2 also applies to the PPS-excluded market basket. ProPAC continues to believe that the increase should include a correction for substantial errors in the market basket forecast (those that equal or exceed 0.25 percentage points). Furthermore, ProPAC believes that the forecast error correction should be based on actual data, not a forecast of the error. This approach requires that the Commission examine errors in the 1989 market basket used to update target limits. The fiscal year 1989 market basket forecast was 5.5 percent, and the actual market basket was 5.4 percent. Since this change is less than 0.25 percentage points, the forecast error correction for fiscal year 1989 is zero.

ProPAC has also developed a discretionary adjustment factor for PPS-excluded facilities. The DAF includes an allowance for scientific and technological advancement and an adjustment for productivity improvement. Both of these components are future-oriented targets. The scientific and technological advancement factor reflects ProPAC's judgment on the financial requirements hospitals need to implement quality-enhancing, but cost-increasing technology. The productivity factor reflects achievable productivity gains resulting from the cost containment incentives inherent in the target rate of increase limits. After examining these factors, the Commission concluded that the cost increases due to scientific and technological advancement should be offset by productivity improvement. Therefore, the DAF is set at zero for fiscal year 1991. See Appendix A for more information.

The Commission believes that a review of the impact and effectiveness of the target rate of increase limits is necessary. ProPAC supports the work undertaken by the Secretary in this regard. In addition, the Commission will continue examining changes in costs and payments for PPS-excluded facilities, as well as changes in patient complexity, and looks forward to working with the Secretary in the evaluation.

Adjusting the PPS Payment Formula

Recommendation 7: Indirect Medical Education Adjustment

The Commission recommends that the Secretary seek legislation to reduce the indirect medical education adjustment from its current level of 7.7 percent to 6.8 percent for fiscal year 1991. This reduction should be implemented in a budget netural fashion, with the savings returned to all hospitals through corresponding increases in the standardized amounts.

Under PPS, payments to teaching hospitals are adjusted based on the level of teaching activity. The indirect medical education adjustment recognizes the higher costs associated with teaching effort. Among the factors contributing to these higher costs are greater use of ancillary services, a more severely ill patient mix, location in inner cities, and a more costly mix of staffing and facilities.

Using the most recently available cost data, ProPAC analysis showed that, for every 0.1 increase in the ratio of interns and residents to beds, Medicare cost per case for teaching hospitals is 3.2 percent higher than the cost for non-teaching hospitals. The analysis controlled for cost differences attributable to case mix, area wages, outliers, disproportionate share caseload, and geographic location.

The Commission recognizes that since PPS began, the Medicare program has more than adequately compensated teaching hospitals for the indirect effects of graduate medical education on Medicare cost per case. The current IME adjustment of 7.7 percent is more than twice the empirical estimate of 3.2 percent derived through the Commission's analysis. Improvements in case-mix measurement over time are responsible for some of the difference between the 7.7 percent and 3.2 percent figures. However, the Commission believes that residual unmeasured severity differences remain between hospitals that are not captured by the current DRG case-mix measure.

PPS operating margins—the excess of PPS payments over costs—through the fourth year of PPS are significantly higher for teaching hospitals than for non-teaching hospitals. By contrast, overall hospital margins—the ratio of total costs to total revenue—for major teaching hospitals are significantly lower than for other teaching and non-teaching hospitals. In terms of PPS payments, the Commission believes that Medicare should interpret its responsibility to program beneficiaries more broadly than focusing on the payment of operating costs. Reducing the IME adjustment by more than one-half in one year—which would be the case if the 3.2 percent were applied to fiscal year 1991—might seriously jeopardize the financial position of major teaching hospitals. Furthermore, it may impair their ability to fulfill their unique mission and maintain the quality of care they provide to Medicare beneficiaries.

The Commission believes that gradually reducing the level of the IME adjustment is a prudent course of action. ProPAC's recommendation reflects one-fifth of the difference between the current IME adjustment and the Commission's empirical estimate. Further reductions in the adjustment to complete a five-year phase-out of this difference should be made only after carefully evaluating the impact on the financial condition of teaching hospitals, and reevaluating the level of the empirical estimate. The Commission is aware that while Medicare has been paying more than its share of the costs of operating these hospitals, other factors responsible for the decreasing overall margins of major teaching hospitals—such as the number of uninsured, or underinsured—should be addressed by changes in public policy.

The Commission therefore recommends reducing the level of the IME adjustment from its current 7.7 percent to 6.8 percent for fiscal year 1991. The reduction in payments through the lowered IME adjustment should be accompanied by a redistribution of these dollars through corresponding increases in the standardized amounts for all hospitals. ProPAC will annually examine the level of the IME adjustment, other factors that influence payments to teaching hospitals, and the impact of lowered payments on the financial condition of teaching hospitals before recommending any subsequent reductions. In addition, the Commission strongly urges the Secretary to study the impact of PPS and non-PPS factors (for example, uncompensated care) on the financial status of teaching and non-teaching hospitals, and to develop a broad approach to address these issues, including alternative funding mechanisms. (See Appendix A.)

Recommendation 8: Improving the Area Wage Index

The Secretary should begin immediately to collect data on employee compensation and paid hours of employment for hospital workers in each occupational category. After collecting these data, the Secretary should carefully evaluate the effect of adjusting the area wage index for differences in the occupational mix of employment.

The Commission is concerned that the current area hospital wage index tends to overcompensate hospitals in some urban areas, while it generally undercompensates hospitals located in rural areas. This concern arises because of the data and the method used in calculating of the area wage index.

The area wage index is one of the most important factors affecting the level of payments to individual hospitals under PPS. The index is used to adjust a hospital's per-case payment rates to reflect the level of hourly wage rates it must pay in the local labor market to hire nurses, technicians, and the other personnel it needs to care for patients. The wage index is intended to measure differences among hospital labor market areas in the price per unit of labor.

The current wage index is based on aggregate wages, salaries, and paid hours of employment for all hospital workers in each labor market area. As a result, the index may reflect variations in both the price level and the occupational mix of employment. Aggregate average hourly wage rates vary across areas in response to differences in the cost of living and in local labor market conditions. This is the kind of variation the index is intended to capture. Aggregate average hourly wage rates may also differ, however, because hospitals in one area tend to employ a more expensive occupational mix of employees than hospitals in another area. It is apparent that hospitals in some large urban areas tend to employ a substantially more costly mixture of workers than hospitals located in rural areas.

The wage index is not intended to measure differences among areas in the average quantity or mix of labor hospitals employ. To the extent that occupational mix is related to case mix, teaching activity, or serving large numbers of low-income patients, the differences in the cost of labor associated with occupational mix are compensated through other adjustments to the payment rates.

Findings from a ProPAC study of variations in occupational mix suggest that occupational mix in a hospital is partially related to the hospital case mix, teaching status, and other hospital characteristics. Further, the study found that occupational mix does have an impact on the area wage index. The overall magnitude of the effect was found to increase wage index values by 1.8 percent in rural areas. However, in Montana, some areas in Texas, and in the South, the increase was three to six times as much.

The Commission recommends that current data on wages and paid hours of employment necessary to make such an adjustment should be collected. Further, ProPAC believes that such data collection should be designed, as far as practicable, to minimize the burden of data collection on hospitals.

Once current data are available, the Secretary should assess the effect of an occupational mix adjustment on geographic areas and hospital groups. The Commission believes that an occupational adjustment which would recognize regional variation in employment preferences and employee supply in the wage index should be considered in an evaluation. The Commission would be pleased to assist the Secretary in evaluating an occupational mix adjustment to the wage index.

Improving Patient Classification and Case-Mix Measurement

Recommendation 9: Improving the DRG System for Measuring Case Mix

The Commission strongly urges the Secretary to continue developing and evaluating improvements in the measurement of hospital case mix and patient resource use.

The ability to identify and discriminate among groups of patients that require different amounts and mixtures of hospital inpatient services is crucial in making accurate and equitable payments to hospitals under PPS. This function, called case-mix measurement, involves three components.

First, a standard disease and procedure coding system is used to summarize the clinical problems experienced by each Medicare patient (diagnoses and symptoms), and the treatment provided (medical and surgical procedures). The coding system currently in use is the International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM). The second component is a patient classification system that assigns Medicare patients to distinct patient categories based on coded clinical and demographic information on the patient's hospital bill. Currently, patient categories are defined and patients are assigned using the diagnosis-related groups patient classification system adopted by the Congress when PPS was enacted in 1983. The third component is a set of relative weighting factors that indicate the relative costliness of inpatient treatment for an average Medicare patient in each DRG category. The relative weights are based on covered hospital inpatient charges reported on the Medicare patient bills.

Although the Congress selected the DRGs as the best classification system available at the time, it also recongnized important limitations of this system. Thus, current law requires that ProPAC recommend changes and the Secretary make adjustments to the DRGs and the relative weighting factors annually. These adjustments are designed to reflect changes in treatment patterns, technology, and other factors that may affect the relative use of resources. Current law also requires the Secretary to improve the classification system's ability to capture variations in severity of illness among patients and hospitals.

The Commission believes that the Secretary generally has acted responsibly in attempting to meet these requirements. The Commission has continued to be concerned, however, about specific DRGs, including those affected by new technologies. The Commission also believes that further improvements in case-mix measurement are necessary to better reflect differences in patient severity of illness.

In recent years, HCFA has funded a number of research projects to develop or evaluate major revisions to the DRGs and alternative classification systems. These projects have produced several potential alternatives to the current DRG system. Some are completely separate systems that could be used as substitutes for the current system. Others, such as the broad refinements completed in 1989 at Yale University and

recent refinements in New York State, would substantially modify the current DRGs.

As the Commission indicated in its March 1989 report, adoption of a major revision to the current DRG system could have important effects on PPS. Therefore, ProPAC continues to believe the Secretary should carry out a thorough and careful evaluation of the alternatives.

In conducting this evaluation, the Secretary should focus on a number of criteria. Since accuracy of payment is a primary goal of PPS, resource homogeneity (similarity of resource use among the patients in each patient category) is obviously an important criterion. So is the impact an alternative classification system may have on the distribution of payments and on payment equity among hospitals.

The Secretary also should be concerned about the stability of resource use patterns for each patient category from year to year. The stability of the relative weighting factors and payment rates associated with a patient category is an important element of the financial incentives perceived by hospital decisionmakers. Volatility of payment rates due to frequent changes in the relative weights discourages development of long-term hospital policies consistent with PPS goals.

In this regard, a patient classification system that creates many small categories with unstable patient populations would be relatively undesirable. Similarly, a classification system that is sensitive to changes in coding practices may contribute to volatility in payment incentives over time. It also may create undesirable incentives for hospital managers and clinicians, and result in unwarranted increases in Medicare payments for inpatient care.

In addition, the Secretary should address the administrative feasibility and cost of implementing a potential revision, including the costs hospitals may incur to adapt their billing, utilization review, and reporting systems. Finally, it may be important to consider the utility of a classification system for utilization review and hospital resource management. A classification alternative that is more clinically coherent and more compatible with the internal organization of most hospitals would be more desirable because payment incentives would be targeted more accurately to the relevant decisionmakers.

ProPAC has worked with HCFA staff on these issues and would be pleased to continue to do so.

Recommendation 10: Improving Medical Record Coding, Reporting, and DRG Assignment

The Secretary should continue to improve the ICD-9-CM coding system to allow for more accurate clinical reporting. The Commission continues to support a more timely, systematic, and consultative approach to consideration of new ICD-9-CM codes. The Commission urges the Secretary to ensure that improvements previously made in the ICD-9-CM system are carried forward into ICD-10. The Secretary should revise the Uniform Billing Form to allow reporting of 10 diagnosis codes and 10 procedure codes.

The International Classification of Diseases, Ninth Revision, Clinical Modification is the coding system currently used to assign cases to individual DRGs. The ICD-9-CM Coordination and Maintenance Committee includes representatives from the National Center for Health Statistics, the American Hospital Association (AHA), and HCFA. This committee has made a number of changes that have resulted in more timely implementation of new codes and improvements in existing codes. ProPAC supports the Secretary's ongoing efforts to improve coding. The Commission believes, however, that the Coordination and Maintenance Committee could achieve further improvements by using a more systematic approach to identify conditions and treatments for review.

The committee now considers, on an ad hoc basis, coding changes that are requested by members and other interested parties. It meets three times each year; issues must be presented to the committee no later than November for implementation in the following fiscal year. This timetable entails a one- to two-year delay after problems have been brought to the committee's attention.

ProPAC believes that the need for new or modified codes could be identified earlier if the committee followed a more systematic approach in setting its agenda. For example, the committee should review all devices newly approved by the Food and Drug Administration. It should also routinely consult professional societies to identify important new technologies that merit codes. Further, the committee should actively try to identify areas in which the diagnosis and procedure codes are not specific enough to describe a clinical entity, such as those for limb salvage surgery.

By 1995, the tenth revision to the ICD, or ICD-10, is expected to be ready for implementation for tracking disease incidence and prevalence. ICD-10 will contain numerous improvements to the ICD-9. However, it will be necessary to have a clinical modification of ICD-10 to use it for DRG assignment. This modification could also incorporate the improvements to ICD-9-CM that have been created and implemented through the work of the Coordination and Maintenance Committee. The Commission urges the Secretary to carry the improvements made in ICD-9-CM forward into ICD-10.

Coded data from the Uniform Billing Form (UB-82) are the basis for DRG assignment. These data are also important for policy analysis using the hospital inpatient claims (MedPAR) database. Currently, there are only spaces for five diagnosis codes and three procedure codes on each UB-82 billing sheet. Two or more codes are often necessary to describe accurately one procedure or one diagnosis. (An example of this is coronary artery bypass graft with cardiac catheterization). This limitation results in coding only diagnoses and procedures that directly affect DRG assignment. Other important clinical diagnoses and procedures are not being reported. Additional spaces on the UB-82 are necessary for more complete clinical reporting. These data could be used in policy studies to improve DRG definitions in the future.

Recommendation 11: Improving the Use of Complications and Comorbidities for DRG Assignment

The Secretary should continue the ongoing effort to refine the DRGs to improve clinical specificity. The current structure of the DRGs and proposed refinements use the presence of complications and comorbidities to classify patients with respect to resource use. The Secretary should undertake a systematic evaluation of the codes in the CC list, with special attention to improving codes that would assign seriously ill patients to categories that would better reflect their resource requirements.

In its April 1987 report, the Commission recommended that the Secretary revise the current list of comorbidities and complications and its use in defining DRGs. This would ensure more appropriate grouping of Medicare cases for payment under PPS. Comorbidities and complications are secondary diagnoses that allow more specific categorization of cases for DRG assignment. The recommendation further stated that the Secretary should evaluate several possible approaches on the basis of resource intensity, including the development of Major Diagnostic Category (MDC)- or DRG-specific lists of CCs. A pilot study conducted by ProPAC had determined that a clinical modification of the CC list could distinguish levels of complexity among diagnoses and help explain variation in resource use among DRGs.

The Secretary has been sensitive to problems with DRGs and continues to consider refinements to the system. The Commission encourages and supports the Secretary's efforts. Nevertheless, any refinement to the system depends upon the specificity of the existing diagnosis and procedure codes. Some proposed refinements to the DRGs would classify patients into minor, major, and catastrophic categories on the basis of CCs. Many of the codes on the CC list are poorly defined and not clinically specific. Decubitus ulcer, which is assigned to the catastrophic category used in the Yale DRG refinement, is illustrative. The coding system cannot distinguish decubitus ulcers of varying clinical severity, although these ulcers of different clinical severity exert different effects on costs. ProPAC believes that the Secretary should undertake an evaluation of the entire CC list, but that special attention should be given to those codes resulting in assignment to the catastrophic category.

Recommendation 12: Reassigning Patients with Guillain-Barré Syndrome

The Secretary should reassign patients with Guillain-Barré Syndrome from DRGs 18 and 19 to DRG 20, DRG 34, or a new DRG.

In its March 1989 report, ProPAC recommended reassigning patients with Guillain-Barré Syndrome to one of two alternative DRGs, or to a new DRG. Commission analysis showed that resource use for GBS patients differs markedly from the resource use for the averge patient in DRGs 18 and 19. Furthermore, the payment hospitals receive for most GBS patients under DRGs 18 and 19 is inadequate. The

Commission examined DRGs 20 and 34 as alternative DRGs for assignment of CBS patients. Assigning GBS patients to either of these DRGs would better reflect the resource use of these cases and would be clinically acceptable. A new DRG would also be a satisfactory classification alternative.

The Commission continues to support the reassignment of GBS patients to an alternative DRG. ProPAC is aware of the Secretary's current efforts to refine the DRG classification system for all patients. Full implementation of this DRG refinement, however, will most likely occur over the next several years. The Commission believes that immediately reassigning GBS patients is needed to address the short-term payment inequities for GBS patients.

In addition, the Commission continues to be concerned about a subset of GBS patients: those with tracheostomy. The Commission is aware that, within the overall DRG refinement efforts, the Secretary is evaluating several altermative classification schemes for reassigning all tracheostomy cases. ProPAC supports the Secretary's actions and believes it would be more appropriate to classify be more appropriate to classify GBS tracheostomy patients with other tracheostomy cases.

Improving the Data Used for Decision Making

Recommendation 13: Improving the Medicare Cost Report Data Used for Calculating Total Margins

The Secretary should place more emphasis on auditing and processing the income statement section of the Medicare Cost Report.

The role of the Medicare Cost Report is changing from a reimbursement tool to a vital information source for payment policy evaluation and decision making. The Commission has recommended previously that the MCR be modified to improve its usefulness for decision making. The Commission is pleased with the progress the Secretary has made in reducing the time required to make the data available for analysis and in testing an expanded cost report format.

The Secretary can continue to improve the usefulness of existing cost report data by ensuring its accuracy. Since the implementation of PPS, HCFA has concentrated its auditing and processing efforts on data that continue to be required for determining cost-based reimbursement. The cost report contains some data, however, that are not used in calculating reimbursable costs and yet are important for decision making. The hospital income statement data represent an important example.

The MCR income statement can be used to calculate total margins for analyzing overall financial status by hospital group. These margins reflect patient revenue from all payers as well as revenue from philanthropy, business ventures, and other non-patient care activities. Total margin data are frequently a useful adjunct to Medicare data for evaluating payment policy. They also support analysis of policies that are outside of the Medicare program, but affect hospital operation and financing.

For several years, ProPAC and other interested organizations did not use the MCR total margin data because of questions regarding its accuracy. The national average total margin calculated from the MCR was found consistently to be higher than the same statistic reported by the American Hospital Association.

This year, ProPAC undertook a study to determine the reasons for this discrepancy. After creating a matched hospital sample, ProPAC found the MCR national average margin to be slightly lower than the same statistic reported by the AHA. There is no way to decide conclusively which statistic is correct. However, many correctable errors in the margins data of the MCR file were discovered during the project. At the same time, there was evidence that the quality of the income statement data has improved over the first four years of PPS.

ProPAC has, as a result of this project, been able to analyze total margins using cost report data with some confidence for the first time. These data have proved useful in the Commission's deliberations on the update factor and other recommendations.

ProPAC plans a second research phase to investigate the reasons for remaining discrepancies between AHA and MCR data for a sample of hospitals. The results should go a long way toward determining whether real accounting differences exist between the two sources.

The Commission will publish a technical report describing the findings of the research project in April, 1990. ProPAC would also be pleased to share the experience it has gained through this research with HCFA.

The Commission urges the Secretary to take the importance of the MCR income statement data into account in determining the resources devoted to auditing and processing. Although the data used to determine Medicare payment are clearly important, appropriate policy decision making depends on the availability of accurate data on hospitals' overall financial viability. While the Commission recognizes that additional resources may be required for these efforts, the added expense would be justified.

Recommendation 14: Improving Information on Medicare Beneficiaries

The Secretary should collect more comprehensive and timely information on Medicare beneficiaries, including utilization, expenditures, sources of payment, insurance coverage (including out-of-pocket costs), and beneficiary satisfaction and perceptions. The Commission believes that the current approach for collecting this information is not adequate for effective policy development.

The Medicare program is continually being altered through legislation and regulation, yet there is little information on how these changes affect Medicare beneficiaries. Further, scientific and technological advances, along with changes in practice patterns, beneficiary behavior, and beneficiary demographic and socioeconomic characteristics, affect the demand for and use of health care services. Without comprehensive, timely data on Medicare beneficiaries, including service use, expenditures, and payments, it is not possible to assess the impact of changes in the Medicare program on beneficiaries. In addition, it is difficult to develop potential policy changes that best meet the needs of beneficiaries.

The current scope of information on beneficiaries is limited. Administrative data from the claims payment files is restricted to Medicare program expenditures and services. These data cannot be used to estimate expenditures for services not covered by Medicare, provide information on sources of payment, measure family resources, identify the characteristics of beneficiaries that determine their utilization and expenditures, or measure beneficiary perceptions or satisfaction.

Several medical care expenditure surveys, including the National Medicare Care Expenditure Study, the National Medical Care Utilization and Expenditure Survey, and the National Medical Expenditure Survey, collect data on utilization and sources of payment. They are not focused on Medicare beneficiaries, however. In addition, the surveys are infrequent, slow to produce accessible data, and not directly applicable to Medicare payment policy.

For example, administrative data can be used to estimate the proportion of inpatient hospital expenditures borne by beneficiaries. In 1980, beneficiary liabilities were equal to 6.5 percent of Medicare inpatient hospital expenditures. By 1988 this had risen to 8.7 percent. Administrative data, however, cannot be used to assess whether these increased cost-sharing requirements result in a significant burden to the beneficiaries affected.

Most beneficiaries have supplemental insurance coverage that pays Medicare cost-sharing requirements. Either beneficiaries or employer-sponsored pension plans must pay premiums for this coverage. In addition, about 20 percent of beneficiaries have neither private coverage nor Medicaid. The survey data currently used to estimate these levels of coverage and payment are 10 years old.

To examine the impact of these cost-sharing requirements, more frequently collected data are needed on supplemental coverage, the beneficiaries who do not have such coverage, and the extent of these coverage options. Any efforts to make cost-sharing requirements more consistent with the incentives of PPS would also require more detailed beneficiary data than is now available.

The Commission understands that HCFA is developing a new survey on Medicare beneficiaries, the Current Beneficiary Survey. The Commission supports the effort to gather more comprehensive and timely information on beneficiaries.

Recommendation 15: Linking Data on Hospital and Physician Procedure Volume

The Commission urges the Secretary to begin developing a database that would allow examination of the total volume of selected procedures performed in a hospital. Such a database should include the number of procedures performed by physicians in each hospital in which they practice. It should include data from Medicare and other payers.

Information about the volume of procedures performed by physicians in hospitals is collected by many different sources. A database that would allow analysis of total procedure volume would be complex, in both structure and data collection efforts. The Commission believes that a project to build such a database should have two components. The first involves linking Medicare data for physicians and hospitals; this is already under way. The second involves linking data from other payers. Initially, data could be collected for those procedures that are of specific relevance to the Medicare population.

Research by ProPAC and others has indicated that many specialized procedures, such as coronary artery bypass graft, are performed more safely and efficiently when they are done frequently. For five of these procedures, ProPAC examined the number of inpatient procedures and the associated mortality rates and costs for Medicare patients. For all five procedures, costs were lower in hospitals with a higher volume of Medicare cases. For three procedures, mortality rates were lower in hospitals with a higher Medicare volume. This work was limited, however, by the inability to examine more than the procedures performed on Medicare patients. It was also not possible to examine the volume of procedures performed by individual physicians.

ProPAC is concerned with the quality of care provided to Medicare beneficiaries, and particularly with the effects of the prospective payment system on quality. The Commission believes that the volume of specialized procedures performed in hospitals is related to the quality of care provided. A database containing total procedure volume data would allow further study in this area. It would permit researchers to examine the relationship between a physician's procedure volume and patient outcomes, as well as between a physician's procedure volume and costs. This same examination could be made for total hospital volume.

Further, there may be an interaction between physician and hospital volume. A database that links both would allow researchers to discern any interaction effect. If future research confirms the relationships between volume and outcomes, and between volume and costs, this information could be used in several ways. These include developing policy recommendations regarding sites of care for Medicare beneficiaries, as well as educating providers about the relationships between volume and outcomes, and volume and costs.

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Part III

Department of Health and Human Services

Office of Community Services

Request for Applications Under the Office of Community Services' Fiscal Year 1990 Demonstration Partnership Program (DPP); Notice

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of Community Services

[Program Announcement No. OCS 90-4]

Request for Applications Under the Office of Community Services' Fiscal Year 1990 Demonstration Partnership Program (DPP)

AGENCY: Office of Community Services, Family Support Administration, Department of Health and Human Services.

ACTION: Announcement of availability of funds and request for applications under the Office of Community Services' Demonstration Partnership Program (DPP).

SUMMARY: The Office of Community Services (OCS) announces that applications will be accepted for grants pursuant to the Secretary's authority under section 408(a)(1) of the Human Services Reauthorization Act of 1986. This program announcement consists of seven parts:

Part A covers information on the legislative authority and defines terms used in the program announcement;

Part B describes the purposes of this program and the types of projects that will be considered for funding;

Part C describes who is eligible to receive funds and provides details on application prerequisites such as the amount of matching funds applicants are required to commit, limitations on grant amounts, project periods, program beneficiaries, etc.;

Part D describes the application procedures including the availability of forms, where and how to submit an application, criteria used in screening and evaluating applications, and compliance with federal requirements regarding the drug-free workplace, debarment, and antilobbying provisions;

Part E describes the contents of the application package and the receipt process;

Part F provides instructions for completing the SF-424 and related forms following standard Federal guidelines as well as OCS specific requirements, and describes how the project narrative should be ordered and presented; and

Part G details post-award information and reporting requirements.

DATES: The closing date for submission of applications is July 9, 1990.

FOR FURTHER INFORMATION CONTACT: Office of Community Services, Attn: Demonstration Partnership Program, 370 L'Enfant Promenade SW., Fifth Floor, Washington, DC 20447, Telephone (202) 252-5242.

Part A—Preamble

1. Legislative Authority

Section 408(a)(1) of the Human Services Reauthorization Act of 1986 (Pub. L. 99-425), Demonstration Partnership Agreements Addressing the Needs of the Poor, as amended, authorizes the Secretary to make grants for the development and implementation of new and innovative approaches to deal with particularly critical needs or problems of the poor which are common to a number of communities.

2. Definitions of Terms

For purposes of this program announcement, the following definitions apply:

Eligible entity: Any organization which (1) was officially designated as a community action agency or a community action program under the provisions of section 210 of the Economic Opportunity Act of 1964 for fiscal year 1981 and did not lose its designation; or (2) was a limited purpose agency designated under title II of the Economic Opportunity Act of 1964 for fiscal year 1981 which served the general purposes of a community action agency under title II of such Act and did not lose its designation; or (3) received financial assistance under section 222(a)(4) of the Economic Opportunity Act of 1964 in fiscal year 1981; or (4) received a grant in fiscal year 1984 under the waiver provision of Public Law 98-139; or (5) was created under section 673(1)(C) of the Community Services Block Grant Act to serve a geographic area not previously served; or (6) came into existence during fiscal year 1982 as a direct successor in interest to a community action agency or community action program and meets all the requirements under section 675(c)(3) of the Community Services Block Grant Act; or (7) is an organization that serves migrant and seasonal farmworkers and that received Community Services Block Grant funds in Fiscal Year 1989. Most "eligible entities" are current recipients of Community Services Block Grant funds. The majority of "eligible entities" are community action agencies. In those cases where "eligible entity" status is unclear, a final determination on eligibility will be made by OCS.

Hypothesis: A tentative assumption made in order to draw out and test its consequences, e.g., there will be a significant increase in the proportion of people making progress toward self-sufficiency among low-income people who participate in a case management/integrated services program as compared to those who do not participate in the program.

Innovative project: One that departs from or significantly modifies past program practices and tests a new approach(es).

Intervention: Any planned activity within a project that is intended to produce changes in the target population or the environment, and can be formally evaluated during the project. For example an intervention in the conduct of a small business opportunity program might be the provision of case-managed technical assistance to participants in developing business plans or loan applications.

Self-sufficiency: A condition where an individual or family, by reason of employment, does not need and is not eligible for public assistance.

Part B—Purpose

The purposes of this program are: (1) To stimulate eligible entities to develop new approaches to provide for greater self-sufficiency of the poor; (2) to test and evaluate the new approaches; (3) to disseminate project results and evaluation findings so that the new approaches can be replicated; and (4) to strengthen integration, coordination, and redirection of activities to promote maximum self-sufficiency among the poor.

Under this program an eligible entity may also compete for one continuation grant per project at a maximum funding level of 80 per cent of the original grant.

1. Project Elements

Projects must: (a) Involve activities which can be incorporated into, or be closely coordinated with, eligible entities' ongoing programs;

(b) Involve significant new combinations of resources or new and innovative approaches involving partnership agreements;

(c) Be structured in a way that will, within the limits of the type of assistance or activities contemplated, most fully and effectively promote the purposes of the Community Services Block Grant Act as amended; and

(d) Include an independent, methodologically sound evaluation of the effectiveness of the activities carried out with the grant.

Partnership(s) between the applicant and one or more other organizations is a requirement for funding. A partnership must include an arrangement between an eligible entity and another organization or organizations that provides for substantive collaborative policy and management roles for each of the partners in the conduct of the project. The partnership should create a synergism that results in improved methods of assisting low-income families and individuals to achieve self-sufficiency. An arrangement where the

applicant serves only as a conduit for the funds is not a partnership.

Projects must have the potential for producing a measurable and major impact on the causes of poverty, should be applicable to other localities with similar problems, and should have the potential for widespread replication by eligible entities.

Projects funded under this announcement must be conducted on a scale broad enough to permit a valid evaluation.

2. General Demonstration Projects

All proposals must focus on developing new ways of promoting individual and family self-sufficiency.

OCS is interested, based on its funding experiences of FYs 87–89, in the further development of theories, as well as new demonstrations, that test the sophisticated targeting of services to special groups. For example:

One challenge to applicants under this program may be to test new approaches that solve the employment problems low-income people encounter in trying to achieve self-sufficiency. Such approaches should not limit themselves to job training.

The lack, or fragmentation, of support systems during the time needed to achieve self-sufficiency is a related issue. OCS welcomes project proposals that address this problem by testing various ways of applying a combined case management and integration of services concept, which includes appropriate employment and training components. The application of such an approach would be appropriate to a variety of low-income populations such as the working poor, the homeless, at-risk teenagers, etc. (For purposes of this announcement, core components of case management must include but are not limited to: assessment of the client's needs, development of a comprehensive service plan, and delivery of the most efficient and effective mixes of services.)

High unemployment rates among young men is another problem which may be addressed under this program. To date, few programs have addressed the needs of young men in the most impoverished urban and rural areas. Most anti-poverty programs have concentrated on serving female-headed households as a way of reducing public assistance dependency. Programs geared towards helping males, if they exist at all, have generally failed to qualify them for the jobs that remain in the inner cities and impoverished rural areas. OCS is interested in testing the following hypotheses: (1) That providing young men with appropriate training combined with necessary supportive services for specific job placement will lower unemployment rates among young men and promote economic self-sufficiency; and (2) that providing young men the opportunity to develop entrepreneurial and management skills that would lead to specific business development and/or self-employment, combined with the necessary supportive services, will promote economic self-sufficiency.

Often, major crises which take the working poor from economic self-sufficiency to economic dependency, such as loss of employment, homelessness, teenage pregnancy, domestic violence or substance abuse, can be avoided if early intervention strategies are in place. Crisis intervention and prevention strategies that preserve the family unit of the working poor and promote economic self-sufficiency may be another focus of hypothesis testing for applicants.

These examples do not exhaust the range of major problems confronting the poor. Applications which propose new approaches to other problems are welcome when such problems are serious obstacles to the achievement of self-sufficiency and/or are shown to affect large numbers of urban or rural poor.

The applicant will be expected to propose solutions that depart from or modify conventional approaches used by eligible entities and that also show promise of increasing self-sufficiency.

Applicants are encouraged to identify and address any impediments which may exist to efforts by service providers attempting to help families become self-sufficient. Frequently such efforts are hindered by legislative, administrative, and regulatory requirements at the Federal, State, and local levels. The conduct of the demonstration, however, should not be dependent upon receiving waivers of such existing rules or regulations.

3. Set-Asides

A. Replication Set-Aside

The Demonstration Partnership Program is required to make available not less than 10% and not more than 25% of its annual appropriation to fund projects in other geographical areas that replicate projects previously funded under the Demonstration Partnership Program. The purpose of this set-aside is to replicate a program that has demonstrated a significant potential for dealing with particularly critical problems of the poor that exist in a number of communities.

For FY 1990 OCS will accomplish this by funding a minimum of two eligible entities to replicate the following hypothesis:

A revolving loan fund targeted to and reserved for low-income entrepreneurs combined with a comprehensive case management approach and oversight monitoring will generate greater self-sufficiency than access to a loan fund alone.

At a minimum, interventions should include technical assistance in basic business planning and management concepts and assistance in preparation of a business plan and loan application.

Applications for replication grants must involve areas outside of the original area of testing.

Any OCS funds proposed to be used specifically for the revolving loan fund must be matched, 1 for 1, with *cash* from a non-OCS source.

For this set-aside, two grants will be funded at a maximum of $350,000 each.

B. Developmental Set-Aside

OCS is interested in providing funds to eligible entities that have not previously submitted an application to the Demonstration Partnership Program for lack of resources or staff. OCS is particularly interested in applications from organizations located in States having a high percentage of their populations in poverty. The purpose of this set-aside is to provide capacity-building grants that will enable eligible applicants to strengthen their staffs or obtain other resources so that feasible demonstration projects and replication projects may be developed. In this way, these entities may be better equipped to meet the needs of low-income residents of their communities by more clearly identifying those needs and competing more successfully for federal, state, or private funds. (It should be noted that the Administration has not requested funding for the DPP program in FY 1991 nor is there any assurance that Congress will appropriate funds for the program in that fiscal year.)

Funds under this set-aside may be used to acquire additional staff and/or contract for necessary resources in order to enable the applicant to: (a) Develop the demonstration partnership project; (b) develop the partnership arrangements; (c) secure the required matching funds; and (d) identify a third party evaluator and develop an evaluation plan with the evaluator. The end result should be a comprehensive, finely-tuned application which meets all of the criteria required for an application submitted under the Demonstration Partnership Program.

A maximum of $25,000 will be granted to any successful applicant under this set-aside. OCS will set-aside a total of $200,000 to fund developmental grants. Developmental grants will have a maximum project period of nine months.

In order to be eligible for funds under this set-aside, the applicant must be an eligible entity which has not previously received funds from the Demonstration Partnership Program.

C. Continuation Grants

OCS is soliciting applications from eligible entities who have previously received funds under the Demonstration Partnership Program and whose grants have expired or will expire prior to January 1, 1991. OCS is interested in continuing projects for which there is evidence that (1) the particular approach being tested is likely to yield important results if the project is operational for a longer period of time, and (2) the additional documentation made possible by the continuation grant will result in a more valid and useful study.

The authorizing legislation states, "not more than two grants may be made to an eligible entity to carry out a particular program." The legislation also indicates that any grant made subsequent to the initial grant may not exceed 80 percent of the amount of the grant previously received. Therefore, in keeping with the legislative requirements, only one continuation grant will be made to any eligible entity for a particular project and funding will not exceed 80% of the original grant amount. Also, due to the limited amount of funds available under the program and the need to comply with legislative requirements to fund new Demonstration Partnership Projects as well as replication projects, a maximum of $600,000 will be available for this set-aside.

Applications for continuation grants must contain all of the elements of the initial project, e.g. partnerships, third-party evaluations, etc.

Part C—Application Prerequisites

1. Eligible applicants

Eligible applicants are those "eligible entities" defined in part A, section 2., Definitions of Terms, of this announcement and whose eligibility status and capability have been certified by the State Director of the Community Services Block Grant program. Eligible entities submitting applications for developmental grants cannot have previously received a Demonstration Partnership Program grant. Eligible entities submitting applications for continuation grants must have received a Demonstration Partnership Program grant in a prior fiscal year which expired or will expire prior to January 1, 1991.

2. Availability of Funds and Grant Amounts

(1) Under the replication set-aside, grant requests will be considered for an amount up to $350,000 in OCS funds. A total of $700,000 will be available for this set-aside.

(2) Under the developmental set-aside, grant requests will be considered for an amount up to $25,000 in OCS funds. A total of $200,000 will be available for this set-aside.

(3) Under the continuation set-aside, grant requests will be considered for an amount not to exceed 80% of the amount of the DPP grant previously received. A total of $600,000 will be available for this set-aside.

(4) For all other projects, grant requests will be considered for an amount up to $350,000 in OCS funds only.

The Office of Community Services expects to award approximately $3,495,287 in the fourth quarter of Fiscal Year 1990 for all projects under this Program.

3. Prohibition on the Use of Funds

The use of funds for the purchase, construction or improvement of real property is prohibited. This prohibition includes expenditures for weatherization and home repairs.

The use of funds for the purchase of equipment under the Developmental Set-Aside is prohibited.

4. Project Periods and Budget Periods

Project periods and budget periods for general grants and replication grants will be for a maximum period of 24 months. For developmental grants, project periods and budget periods may not exceed nine months. It is expected that grants will be effective October 1, 1990.

5. Matching Funds

An applicant is required to obtain commitment of at least one private or public sector dollar for each dollar of OCS funds awarded.

Thus, if an applicant is requesting $175,000 in OCS funds, at least $175,000 in additional funds must be committed to the project from private or public sector sources. Public sector resources that can be counted toward the minimum match include funds from State and local governments, and funds from various block grants allocated to the States by the Federal Government providing the authorizing legislation for these block grants permits such use.

Funds identified by the applicant as those which will be counted toward the minimum match requirement may be in the form of cash or third-party in-kind contributions fairly converted into its dollar equivalent. Such funds must be definitely committed or contingent only on receipt of an OCS grant, must be applied to specific project activities within the OCS-approved project and used only for project purposes for the duration of the OCS grant. The firm commitment of these required matching funds must be documented in the project application. If the match is to be used as a revolving loan fund, the funds must be specifically set-aside for eligible low-income recipients of the project.

Funds obligated prior to the approved OCS starting date for a grant cannot be considered as matching funds. Documentation of matching funds must be in the form of letters of commitment from the donors.

6. Program Beneficiaries

Projects proposed for funding under this announcement must result in direct benefits for low-income persons whose incomes are up to 125% of the DHHS poverty income guidelines as defined in the most recent Annual Revision of Poverty Income Guidelines published by DHHS.

Attachment A to this announcement is an excerpt from the guidelines currently in effect. Annual revisions of these guidelines are normally published in February or early March of each year. Grantees will be required to apply the most recent guidelines throughout the project period. These revised guidelines also may be obtained at public libraries, Congressional offices, or by writing the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

No other government agency or privately defined poverty guidelines are applicable for the determination of low-income eligibility for this OCS program.

7. Multiple Submittals

No applications will be considered for funding which are being submitted under other OCS program announcements.

8. Sub-Contracting or Delegating Projects

OCS will not fund any project where the role of the eligible applicant is primarily to serve as a conduit for funds to organizations other than the applicant. This prohibition does not bar subcontracting or subgranting for

specific services or activities needed to conduct the project.

9. Maintenance of Effort

The activities funded under this program announcement must be in addition to, and not in substitution for activities previously carried on without Federal assistance. Also, funds or other resources currently devoted to activities designed to meet the needs of the poor within a community, area, or State must not be reduced in order to provide the required matching contributions.

This provision will generally allow the use of block grant funds as matching funds for the demonstration project when the applicant shows that: (1) It has received a real increase in its block grant allotment, or (2) it demonstrates that other anti-poverty programs will not be scaled back to provide the matching.

Part D—Application Procedures

1. Availability of Forms

Attachments B, C, and D contain all of the standard forms necessary for the application for awards under this OCS program. These attachments and part F of this announcement contain all the instructions required for submittal of applications. Copies of the **Federal Register** containing this announcement are available at most local libraries and Congressional District Offices for reproduction.

If copies are not available at these sources, they may be obtained by writing or telephoning the office listed under the section entitled "FOR FURTHER INFORMATION CONTACT" at the beginning of this announcement.

Part F also contains instructions for the project narrative, which must be submitted on plain bond paper along with the SF-424 and its related forms.

Attachment J provides a checklist to aid applicants in preparing a complete application package for OCS.

The application will consist of:

(a) "Application for Federal Assistance" (SF-424);

(b) "Budget Information-Non-Construction Programs" (SF-424A);

(c) "Assurances-Non-Construction Programs" (SF-424B); and

(d) the Project Narrative.

The applicant must be aware that in signing and submitting the application for this award, it is certifying that it will comply with the Federal requirements concerning the drug-free workplace, debarment and anti-lobbying regulations set forth in Attachments E, F, and H.

2. Application Submission

Applications must be submitted to FSA by the closing date. Refer to "DATES" at the beginning of this document for the specific date.

Applications may be mailed to:

Family Support Administration, Office of Grants Management, 6th Floor OFM/DGM, 370 L'Enfant Promenade, SW., Washington, DC 20447

Hand-delivered applications are accepted during normal working hours of 8 a.m. to 4:30 p.m., Monday through Friday, except legal holidays, on or prior to the established closing date at:

Family Support Administration, Office of Grants Management, Sixth Floor, 901 D Street, SW., Washington, DC 20447

An application will be considered to be received on time if sent on or before the closing date as evidenced by a legible U.S. Postal Service postmark or a legibly dated receipt from a commercial carrier. Private metered postmarks will not be considered acceptable as proof of timely mailing. Applications submitted by any means other than through the U.S. Postal Service or commercial carrier shall be considered as acceptable only if physically received at the above address before close of business on or before the deadline date.

Note: Applicants should note that the U.S. Postal Service does not uniformly provide a dated postmark. Before relying on this method, applicants should check with their local post office.

Late applications will be returned to the senders without consideration in the competition.

Applications once submitted are considered final and no additional materials will be accepted by OCS.

One signed original application and four copies are required. The first page of the SF-424 must contain in the lower right hand corner the following designations:

General projects: "DP"
Replication Set-Aside: "DR"
Developmental Set-Aside: "DD"
Continuation Set-Aside: "DC"

3. Intergovernmental Review

This program is covered under Executive Order 12372, "Intergovernmental Review of Federal Programs" and 45 CFR part 100, "Intergovernmental Review of Department of Health and Human Services Programs and Activities." Under the Order, States may design their own processes for reviewing and commenting on proposed Federal assistance under covered programs.

All States and Territories except Alaska, Idaho, Kansas, Minnesota, Nebraska, Virginia, American Samoa and Palau have elected to participate in the Executive Order process and have established Single Points of Contact (SPOCs). Applicants from these seven jurisdictions need take no action regarding E.O. 12372. Applicants for projects to be administered by Federally-recognized Indian Tribes are also exempt from the requirements of E.O. 12372. Applicants must submit any required material to the SPOCs as soon as possible to alert them of the prospective applications and receive any necessary instructions. Applicants must submit any required material to the SPOCs as early as possible so that the program office can obtain and review SPOC comments as part of the award process. It is imperative that the applicant submit all required materials, if any, to the SPOC and indicate the date of this submittal (or the date of contact if no submittal is required) on the Standard Form 424, item 16a.

Under 45 CFR 100.8(a)(2), a SPOC has 60 days from the application deadline date to comment on proposed new or competing continuation awards. Therefore, the comment period for State processes will end 60 days from date of publication of this Announcement to allow time for FSA to review, consider and attempt to accommodate SPOC input. SPOCs are encouraged to eliminate the submission of routine endorsements as official recommendations. Additionally, SPOCs are requested to clearly differentiate between mere advisory comments and those official State process recommendations which they intend to trigger the "accommodate or explain" rule under 45 CFR 100.10.

When comments are submitted directly to FSA, they should be addressed to: Department of Health and Human Services, Family Support Administration, Office of Grants Management, 6th Floor, 370 L'Enfant Promenade SW, Washington, DC 20447. A list of the Single Points of Contact for each State and Territory is included as Appendix G of this announcement.

4. Application Consideration

Applications which meet the screening requirements in section 5 below will be reviewed competitively. Such applications will be referred to reviewers for a numerical score and explanatory comments based solely on responsiveness to the purposes outlined in part B, the guidelines in part F, and evaluation criteria published in this announcement. Applications containing the "DR" and "DD" designations will be reviewed and rated separately.

Applications will be reviewed by persons outside of the OCS unit which will be directly responsible for

management of the grant. The results of these reviews will assist the Director and OCS program staff in considering competing applications. Reviewers' scores will weigh heavily in funding decisions but will not be the only factors considered. Applications will be considered in order of the average scores assigned by reviewers. However, highly ranked applications are not guaranteed funding since other factors are taken into consideration, including: comments of reviewers and government officials; staff evaluation and input; geographic distribution; previous program performance of applicants; compliance with grant terms under previous DHHS grants; audit reports; investigative reports; and applicant's progress in resolving any final audit disallowances on OCS or other Federal agency grants.

OCS reserves the right to discuss applications with other Federal or non-Federal funding sources to determine the applicant's performance record.

5. Criteria for Screening Applications

a. Initial Screening

All applications that meet the published deadline for submission will be screened to determine completeness and conformity to the requirements of this announcement. Only those applications meeting the following requirements will be reviewed and evaluated competitively. Others will be returned to the applicants with a notation that they were unacceptable.

(1) The application must contain a Standard Form 424 "Application for Federal Assistance" (SF-424), a budget (SF424A) and signed "Assurances" (SF-424B) completed according to instructions published in part F and attachments B, C and D of this program announcement.

(2) A project narrative must also accompany the standard forms.

(3) The SF-424 and the SF-424B must be signed by an official of the organization applying for the grant who has authority to obligate the organization legally.

b. Pre-Rating Review

Applications which pass the initial screening will be forwarded to reviewers and/or OCS staff prior to the programmatic review to verify that the applications comply with this program announcement in the following areas:

(1) *Eligibility:* Applicant is an "eligible entity" as defined in part A, section 2. and meets the additional requirements stated in part B, sections 3.B. and 3.C., if applicable. In order to establish eligibility, the application must contain a letter signed by the State Director of the Community Services Block Grant program certifying that the applicant is an "eligible entity" as defined by this program announcement and that it has the capacity to operate the proposed project.

Applicants must also be aware that the applicant's legal name as required on the SF-424 (Item 5) must match that listed as corresponding to the Employer Identification Number (Item 6).

(2) Target Populations: The application clearly serves low-income participants and beneficiaries as defined in part C.

(3) *Matching Funds:* The required match has been firmly committed and letters of commitment by the donors are included.

(4) *Grant Amount:* The amount of funds requested does not exceed $350,000 in OCS funds for general and replication projects, and $25,000 for developmental projects.

(5) *Project Evaluation:* A third-party project evaluation plan is included. (When possible, the independent third-party evaluator should be involved in the preparation of the application.)

(6) *Replication Project:* The proposed project will be operated in a geographic area outside of the original area of testing.

(7) *Maintenance of Effort:* Maintenance is clearly documented.

An application may be disqualified from the competition and returned if it does not conform to one or more of the above requirements.

c. Evaluation Criteria

Applications which pass the pre-rating review will be assessed and scored by reviewers. Each reviewer will give a numerical score for each application reviewed. These numerical scores will be supported by explanatory statements on a formal rating form describing major strengths and weaknesses under each applicable criterion published in the announcement.

The in-depth evaluation and review process will use the following criteria coupled with the specific requirements as described in part B.

Note: The following review criteria reiterate collection of information requirements contained in part F of this announcement. These requirements are approved under OMB Control Number 0920-0062.

Criteria for Review and Evaluation of Applications Submitted Under General Projects and Replication Projects Only

a. *Criterion I: Organizational History and Management Capability (Maximum: 10 points)*

(i) *Organizational History* (0–3 Points)

—The applicant has experience in developing and operating innovative projects that utilize a variety of resources;

—The applicant has recent experience in collaborative planning, programming and operations with the proposed partners; and

—The applicant has experience in designing and/or managing staff-conducted or third party (i.e. independent) evaluations.

(ii) *Management Capability* (0–7 points)

—The applicant's proposed project director, as well as the proposed primary person responsible for conducting the third-party evaluation, are well qualified and their professional experiences are relevant to the successful implementation of this project;

—The position description(s) are relevant to the effective implementation of the project; and

—The applicant describes and logically shows that sufficient time of senior staff, including the organization's director, has been budgeted to assure timely implementation and cost effective management of the project.

b. *Criterion II: Analysis of Need (Maximum: 15 points)*

(i) *The poverty problem* (0–7 points)

The application clearly describes the poverty problem and the problem is deemed to be significant. The application identifies the factors that contribute to the perpetuation of the poverty problem, documents the extent to which the problem exists in the local community, discusses known examples of this problem in other localities and regions, and analyzes the impact of the problem nationwide.

(ii) *The research problem* (0–8 points)

The applicant provides a thorough summary of the results of past research related to the problem and any documented efforts utilizing the innovative strategy (or intervention) specified in the application. This overview should be presented from both a poverty and research perspective. The applicant should explain how the proposed approach constitutes an innovative departure or significant modification of previous and current approaches.

c. *Criterion III: Project Design (Maximum: 25 points)*

(i) The Hypothesis (0–10 points)

—The hypothesis is significant, relevant, and can be tested to determine its validity;

(ii) The Work Program (0–10 points)

—the application clearly describes the implementation and conduct of the major activities to be carried out including specific plans for conducting measurable activities on a quarterly time frame and identifies projected length for each proposed intervention;

—The application provides a description of an adequate process for development of policies and procedures which will form the basis for the process evaluation;

(iii) Supporting Data (0–5 points)

—The application includes demographic data such as income, age, race, ethnic origin, sex and marital status of the target population and shows that the choice of target groups is relevant to the hypothesis;

—The application includes a measurable definition of self-sufficiency including a measurement of earned income and a brief description of how the project interventions will allow participants to further their self-sufficiency;

—The applicant identifies an adequate sample size in both the participant and comparison group for reliable evaluation findings and for achieving significant impact in the community; and

—The applicant clearly demonstrates the extent to which the interventions are innovative and appropriate to the hypothesis and to the target population.

d. *Criterion IV: Significant and Beneficial Impact (Maximum: 15 points)*

—The proposed project will have the potential for producing a measurable and potentially major impact upon the causes of poverty and will result in a substantial increase in the self-sufficiency of the poor;

—The anticipated results are specified and the expected benefits for the target group(s) are delineated;

—The applicant includes information that shows the ways in which it will incorporate the project into its organizational structure and shows how the implementation, if successful, will be continued by the applicant and the partner.

e. *Criterion V: Third-Party Evaluation (Maximum: 15 points)*

The Evaluation Plan

—Includes a specific working definition (consistent with the broad definition contained in part A) of "self-sufficiency" for this project that permits the measurement of incremental movement of individuals and families from dependency toward self-sufficiency. (0–2 points)

—Provides for the completion of a process evaluation covering the following elements: partnerships, staffing, all pertinent policies and procedures, client outreach, services and process for service provision, applicant and community linkages, other community resources, changes from original plan, critical elements of program implementation and an implementation summary. (0–6 points)

—Provides for the completion of an outcomes evaluation which specifies the hypotheses, describes the design, sample size, subject selection, interventions, outcomes, measurement instruments, time and number of measurements, data collection procedures, and statistical procedures. The outcomes evaluation report will yield findings, an interpretation of findings, and identify major issues for replication. (0–7 points)

f. *Criterion VI: Partnerships (Maximum: 15 points)*

—The partnership arrangements are fully described and clearly relate to the objectives of the proposed project;

—All partners are involved in the planning, implementation and evaluation of the project.

g. *Criterion VII: Budget Impact and Match (Maximum: 5 points)*

(i) The project, if successful, will result in either or both of the following:

—Continued provision of services, after completion of the demonstration project, without additional OCS or other Federal funds; and/or

—More efficient use of existing anti-poverty resources.

(ii) The match resources are necessary and logical for the proposed project.

Criteria for Review and Evaluation of Applications Submitted Under Developmental Set-Aside Only

a. *Criterion I: Organizational Capability and Capacity (Maximum: 20 points)*

The application fully describes the experience and skills of key staff showing that they are not only well qualified but that their professional capabilities are relevant to the successful implementation of the project.

The application identifies what technical assistance or additional staffing is required and how it will upgrade the organizational and staffing capability to implement a research demonstration project.

b. *Criterion II: Analysis of Need (Maximum: 15 points)*

The application clearly describes the poverty problem, identifies the factors that contribute to the perpetuation of the poverty problem, documents the extent to which the problem exists in the local community, and details why the problem is not being effectively addressed currently.

The organization is located in a State with a high percentage of poverty.

c. *Criterion III: Project Design (Maximum: 15 points)*

The work plan includes activities that are designed to develop an application that will achieve the specific Program Priority Area objectives as defined in this announcement, part B, Purpose, 1 and 2.

d. *Criterion IV: Project Implementation (Maximum: 25 points)*

—The application contains a detailed and specific work plan that is both sound and feasible.

—The application sets forth realistic quarterly time targets by which the various work tasks will be completed. These work plans should address such issues as details on how applicant intends to identify the existing problems in other localities and the development of a meaningful partnership(s).

e. *Criterion V: Proposed Third-Party Evaluation (Maximum: 15 points)*

The proposed work plan includes activities related to and appropriate to the development of a third-party evaluation design and the selection of a contractor to implement the evaluation.

f. *Criterion VI: Budget Appropriateness and Reasonableness (Maximum: 10 points)*

—The application includes a detailed budget breakdown for each of the pertinent budget categories in the SF-424A.

—The proposed budget is commensurate with the level of effort necessary to accomplish the goals and objectives of the project.

Criteria for Review and Evaluation of Applications Submitted for Continuation Grants Only

a. *Criterion I: Significant and Beneficial Impact on Clients (Maximum: 40 points)*

—The applicant has demonstrated that *to date* a significant number of project clients have been successful in acquiring income producing employment, and

—The applicant has documented that the proposed project will result in substantial progress toward self-sufficiency of the clients.

b. *Criterion II: Research Significance (Maximum: 25 points)*

The application demonstrates that:

—Both the number of clients and the client interventions are sufficient to assure that the results of the evaluation reach statistical significance;

—The applicant, through its evaluation, will be able to adequately determine the importance of the interventions to the clients achieving self-sufficiency; and

—The evaluation component provides for the design and completion of a cost benefit analysis.

c. *Criterion III: Institutional Impact (Maximum: 15 points)*

—The applicant has adequately documented changes that its organization, that of its partners, and/or other relevant institutions have made on their on-going programs as a result of the project funded under the initial grant.

d. *Criterion IV: Appropriateness of Project (Maximum: 15 points)*

—The applicant has provided sufficient information to demonstrate that the project is not providing services duplicative of others available to the poor; and

—The applicant has adequately shown that the approach is a substantial improvement over otherwise available efforts.

e. *Criterion V: Budget Appropriateness (Maximum: 5 points)*

—Funds requested are commensurate with the level of effort necessary to accomplish the goals and objectives of the project.

Part E—Contents of Application and Receipt Process

(Approved by the Office of Management and Budget under Control Number 0970–0062)

1. *Contents of Application*

Each application submission must include a signed original and four additional copies of the application. Each application must include:

a. A signed "Application for Federal Assistance" (SF–424);

b. "Budget Information-Non-Construction Programs" (SF–424A);

c. A signed "Assurances—Non-Construction Programs" (SF–424B);

d. A project narrative, consecutively numbered and preceded by a Table of Contents, that will include all of the following elements according to the project type:

Applicable to general and replication projects only:

(i) Organizational History and Management Capability

(ii) Analysis of Need

(iii) Project Design and Significant and Beneficial Impact

(iv) Third-Party Evaluation

(v) Partnerships

(vi) Appendices, including letter signed by State CSBG Director, Bylaws; Articles of Incorporation; proof of non-profit status where applicable; Single Point of Contact comments if applicable and available; and resumes.

Applicable to developmental projects only:

(i) Organizational Capability and Capacity

(ii) Analysis of Need

(iii) Project Design

(iv) Project Implementation

(v) Third-Party Evaluation

(vi) Budget Appropriateness and Reasonableness

(vii) Appendices, including letter signed by State CSBG Director confirming eligibility; Bylaws; Articles of Incorporation; proof of non-profit status where applicable; Single Point of Contact comments if applicable and available; and resumes.

Applicable to continuation projects only:

(i) Significant and Beneficial Impact on Clients

(ii) Research Significance

(iii) Institutional Impact

(iv) Appropriateness of Project

(v) Budget Appropriateness

(vi) Appendices, including letter signed by State CSBG Director confirming eligibility, ByLaws; Articles of Incorporation; proof of non-profit status where applicable; Single Point of Contact comments if applicable and available; and resumes.

The total number of pages for the entire application package should not exceed 50 pages.

Applications must be uniform in composition since OCS may find it necessary to duplicate them for review purposes. Therefore, applications must be submitted on white 8½ x 11 inch paper only. They must not include colored, oversized or folded materials. Do not include organizational brochures or other promotional materials, slides, films, clips, etc. in the proposal. They will be discarded if included.

2. *Acknowledgement of Receipt*

All applicants will receive an acknowledgement postcard with an assigned identification number. Applicants are requested to supply a self-addressed mailing label with their application which can be attached to this acknowledgement post-card. This number and the program priority area letter code must be referred to in all subsequent communication with OCS concerning the application. If an acknowledgement is not received within three weeks after the deadline date, please notify FSA by telephone at (202) 252–4586.

Part F—Instructions for Completing Applications

(Approved by the Office of Management and Budget under Control Number 0970–0062)

The standard forms attached to this announcement shall be used when submitting applications for all funds under this announcement.

It is suggested that you reproduce the SF–424, SF–424A, and SF–424B, and type your application on the copies. If an item on the SF–424 cannot be answered or does not appear to be related or relevant to the assistance requested, write "NA" for "Not Applicable."

Prepare your application in accordance with the standard instructions given in Attachments B and C corresponding to the forms, as well as the OCS specific instructions set forth below:

1. *SF–424—"Application for Federal Assistance"*

Item

1. For the purposes of this announcement, all projects are considered "Applications"; there are no "Pre-Applications." Also for the purposes of this announcement, there are no Construction projects.

5 and 6. The legal name of the applicant must match that listed as corresponding to the Employer Identification Number.

7. If the applicant is a non-profit corporation, enter "N" in the box and specify "non-profit corporation" in the space marked "Other."

9. Enter "DHHS, Office of Community Services."

10. The Catalog of Federal Domestic Assistance number for OCS programs covered under this announcement is 13.797. The title is "Community Services Block Grant Discretionary Awards—Demonstration Partnership Program."

2. *SF–424A—"Budget Information-Non-Construction Programs"* See Instructions accompanying this page as well as the instructions set forth below:

In completing these sections, the "Federal Funds" budget entries will relate to the requested OCS Demonstration Partnership Program funds only, and "Non-Federal" will include mobilized funds from all other sources—applicant, state, and other. Federal funds other than those

requested from the Demonstration Partnership Program should be included in "Non-Federal" entries.

Sections A and D of SF-424A must contain entries for both Federal (OCS) and non-Federal (mobilized) funds. Section B contains entries for Federal (OCS) funds only. Clearly identified continuation sheets in SF-424A format should be used as necessary.

Section A—Budget Summary

Lines 1-4

Col. (a):

Line 1 Enter "OCS Demonstration Partnership Program";

Col. (b):

Line 1 Enter "13.797";

Col. (c) and (d):

For purposes of this announcement, Columns (c) and (d) should be completed only by those applicants requesting funds for continuation grants.

Column (e)-(g):

For each line 1-4, enter in columns (e), (f) and (g) the appropriate amounts needed to support the project for the budget period.

Line 5 Enter the figures from Line 1 for all columns completed, (e), (f), and (g).

Section B—Budget Categories

Allowability of costs are governed by applicable cost principles set forth in 45 CFR parts 74 and 92.

In OCS applications, it is only necessary to complete Columns (1) and (5):

Column 1: Enter the total requirements for OCS Federal funds by the Object Class Categories of this section.

Personnel—Line 6a: Enter the total costs of salaries and wages.

Fringe Benefits—Line 6b; Enter the total costs of fringe benefits unless treated as part of an approved indirect cost rate which is entered on line 6j.

Travel—Line 6c: Enter total costs of out-of-town travel by employees of the project. Do not enter costs for consultant's travel or local transportation. Provide justification for requested travel costs. Travel costs for two national workshops (see part G) for the staff director to attend should be included. (See Line 6h and Line 21 for additional instructions).

Equipment—Line 6d: Enter the total costs of all nonexpendable personal property to be acquired by the project. "Non-expendable personal property" means tangible personal property having a useful life of more than two years and an acquisition cost per unit of $500 for non-profit and $5,000 for public organizations.

Surplus—Line 6e: Enter the total costs of all tangible personal property (surplus) other than that included on line 6d.

Contractual—Line 6f: Enter the total costs of all contracts, including the cost of the third-party evaluation contract. Travel costs for the chief evaluator to attend two national workshops (see part G) should be included.

Note: Whenever the applicant/grantee intends to delegate part of the program to another agency, the applicant/grantee must submit sections A and B of this form (SF-424A), completed for each delegate agency by agency title, along with the required supporting information referenced in the applicable instructions. The total costs of all such agencies will be part of the amount shown on Line 6f. Provide draft Request for Proposal in accordance with 45 CFR part 74, appendix H.

Construction—Line 6g: Construction costs are not permitted under the Demonstration Partnership Program.

Other—Line 6h: Enter the total of all other costs. Such costs, where applicable, may include, but are not limited to, insurance, food, medical and dental costs (noncontractual), fees and travel paid directly to individual consultants, local transportation (all travel which does not require per diem is considered local travel), space and equipment rentals, printing and publication, computer use training costs including tuition and stipends, training service costs including wage payments to individuals and supportive service payments, and staff development costs.

Indirect Charges—Line 6j: Enter the total amount of indirect costs. This line should be used only when the applicant currently has an indirect cost rate approved by the Department of Health and Human Services or other Federal agencies. With the exception of local governments, applicants should enclose a copy of the current rate agreement if it was negotiated with a Federal agency other than the Department of Health and Human Services.

If the applicant organization is in the process of initially developing or renegotiating a rate, it should immediately upon notification that an award will be made, develop a tentative indirect cost rate proposal based on its most recently completed fiscal year in accordance with the principles set forth in the pertinent "DHHS Guide for Establishing Indirect Cost Rates," and submit it to the appropriate DHHS Regional Office.

It should be noted that when an indirect cost rate is requested, those costs included in the indirect cost pool should not be also charged as direct costs to the grant.

The total amount shown in Section B, Column (5), Line 6k, should be the same as the amount shown in Section A, Line 5, Column (e).

Program Income—Line 7: Enter the estimated amount of income, if any, expected to be generated from this project. Separately show expected program income generated from OCS support and income generated from other mobilized funds. Do not add or subtract this amount from the budget total. Show the nature and source of income in the program narrative statement.

Column 5: Carry totals from Column 1 to Column 5 for all line items.

Section C—Non-Federal Resources

This section is to record the amounts of "non-Federal" resources that will be used to support the project. "Non-Federal" resources mean other than OCS funds for which the applicant is applying. Provide a brief explanation, on a separate sheet, showing the type of contribution and whether it is cash or third-party in-kind. The firm commitment of these required funds must be documented and submitted with the application in order to be given credit in the Partnerships criterion.

Except in unusual situations, this documentation must be in the form of letters of commitment from the organization(s)/individuals from which funds will be received.

Line 8:

Column (a): Enter the project title.

Column (b): Enter the amount of cash or donations to be made by the applicant.

Column (c): Enter the State contribution.

Column (d): Enter the amount of cash and in-kind contributions to be made from all other sources.

Column (e): Enter the total of columns (b), (c), and (d).

Lines 9, 10, and 11 should be left blank.

Line 12:

Carry the total of each column of Line 8, (b) through (e). The amount in Column (e) should be equal to the amount on Section A, Line 5, column (f).

Section D—Forecasted Cash Needs

Line 13—Enter the amount of Federal (OCS) cash needed for this grant, by quarter, during the budget period.

Line 14—Enter the amount of cash from all other sources needed by quarter during the budget period.

Line 15—Enter the total of Lines 13 and 14.

Section E—Budget Estimates of Federal Funds Needed for Balance of Projects

No entries are required for OCS grants.

Section F—Other Budget Information

Line 21—Use this space and continuation sheets as necessary to fully explain and justify the major items included in the budget categories shown in Section B. Include sufficient detail to facilitate determination of allocability, relevance to the project, and cost benefits. Particular attention must be given to the explanation of any requested direct cost budget item which requires explicit approval by the Federal agency. Budget items which require identification and justification shall include, but not be limited to, the following:

A. Salary amounts and percentage of time worked for those key individuals who are identified in the project narrative;

B. Any out-of-state travel;

C. A list of all equipment and estimated cost of each item to be purchased wholly or in part with grant funds which meet the definition of nonexpendable personal property provided on Line 6d, Section B. Need for equipment must be supported in program narrative. [Not applicable to Developmental Set-Aside applicants.]

D. Contractual: Major items or groups of smaller items; and

E. Other: group into major categories all other costs such as space, rental, training allowances, staff training, etc. Provide a complete breakdown of all costs that make up this category.

Line 22—Enter the type of HHS or other Federal agency approved indirect cost rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied and the total indirect expense. Also, enter the date the rate was approved, where applicable. Attach a copy of the rate agreement if it was negotiated with a Federal agency other than the Department of Health and Human Services.

Line 23—Provide any other explanations and continuation sheets required or deemed necessary to justify or explain the budget information.

3. *SF–424B "Assurances-Non-Construction"*

All applicants must sign and return the "Assurances" with the application.

4. *Project Narrative*

The project narrative should provide information on how the application addresses the purposes of this announcement as set forth in part B. It should also show how the application meets the evaluation criteria in part D, section 5(c) of this Program Announcement and should follow the format below:

Applicable to General and Replication Projects Only:

a. *Organizational History and Management Capability.*

Each applicant must document its past efforts and current capability to address both the poverty problem and the research problem specified in the application. The applicant should demonstrate that it has (1) experience in developing and operating innovative projects that utilize a variety of resources in a cooperative and problem solving arrangement with other agencies, and (2) experience specifically related to the problem(s) and activities proposed in the application. In addition, the applicant should describe its organizational structure, summarize relevant portions, if any, of its corporate mission, strategy, and multi-year plan, summarize any examples of recent evaluation research it has conducted, and provide a current listing of all sources of funds and projects operated in the applicant's current funding year. The applicant should demonstrate and document that it has experience in designing and/or managing staff-conducted or third party (i.e. independent) evaluations.

The application must fully describe the experience and skills of the proposed project director showing that the individual is not only well qualified but that his/her professional capabilities are relevant to the successful implementation of the project. It must show clearly that sufficient time of the Executive Director and other senior staff will be budgeted to assure timely implementation and oversight of the project. Applications must also fully describe the experience and skills of the primary person responsible for conducting the third-party evaluation. If the project director and/or the person responsible for conducting the evaluation have not yet been identified, include a position description for each of these persons.

The applicant should submit for each of the partners, any of the above information which is relevant.

b. *Analysis of Need*

The application should include a description of the target area and population to be served as well as a discussion of the nature and extent of the poverty problem.

The applicant should also discuss known examples of this problem in other localities and regions and provide an analysis of the impact of the problem nationwide. In addition, applicants should provide a thorough summary of the results of its research conducted in order to identify previous and current attempts to address the poverty problem and describe the limitations of these attempts. A bibliography of all the sources used in its research must be included as an attachment.

c. *Project Design and Significant and Beneficial Impact.* Each application must include the following in its project design:

(1) A testable hypothesis that permits measurement of the extent to which the target population has achieved greater self-sufficiency;

(2) The rationale for the approach being proposed to overcome this problem, an explanation showing how the approach proposed by the applicant is a departure from or a significant modification of previous and current approaches, and why the applicant believes that testing this approach will lead to positive outcomes;

(3) A description of the target group(s) including the number of participants and beneficiaries and their major characteristics that are relevant to the hypothesis;

(4) A thorough description of the intervention(s) that will be carried out to test the hypothesis with inclusion of target dates, in chronological order, by which the major events will occur;

(5) Inclusion of measurable objectives, intended project outcomes, and intended impact on the problem(s) that are being addressed;

(6) If appropriate, a plan for identifying impediments to achieving self-sufficiency that are caused by legislative, administrative, and regulatory requirements at the Federal, State, and local levels; and

(7) The applicant should include information that shows how it will assure that resources necessary to continue the project will be mobilized, how it will incorporate the project into its existing organizational structure and shows how the new activities will result in changes, if any, to current projects. Explain why one or both of the following applies: (a) This demonstration, if successful, will show how to use existing anti-poverty resources more efficiently, and/or (b) services or activities conducted under this demonstration, if successful, could be continued after completion of the demonstration project with non-Federal funds.

d. *Third-Party Evaluation.* A plan for a methodologically sound third-party (i.e. independent) evaluation of the

demonstration project must be attached and must:

(1) Include provisions for both a process evaluation, which includes written policies and procedures as its base, and an outcome evaluation;

(2) Include a specific working definition, consistent with the broad definition contained in part A, of "self-sufficiency" for this project that permits the measurement of incremental movement of individuals and families from dependency toward self-sufficiency;

(3) Include an adequate sample size in both the participant and nonparticipant comparison group as well as a rationale for subject selection;

(4) Clearly identify the hypothesis to be tested, the changes (outcome objectives) to be produced, the activities (interventions) that will produce the changes, and the methods (measurement instruments, performance measures and data collection procedures) for measuring the performance as well as the time and number of measurements and statistical procedures; and

(5) Include procedures that will be used to (a) compare information about participants and non-participants—the comparison groups—and, (b) isolate and systematically assess competing explanations for the observed outcomes. Where the use of comparison groups is not practicable, the applicant must propose an alternative method to validate the hypothesis; and

(6) Include a realistic plan for disseminating the project findings, once they have been approved by OCS, to other eligible entities and to States upon request.

The applicant must include an assurance that the evaluation will be conducted by an independent entity, i.e. an entity organizationally distinct from, and not under the control of, the applicant. OCS' experience with this program has shown that a quality evaluation contract can be purchased for 8%–10% of the OCS budget.

Applicants who anticipate evaluation procurements that will exceed $10,000 and will be awarded without competition should include a sole source justification in the proposal. For successful applicants the grant award letter accompanying the Notice of Grant Award will comprise approval of this action.

e. *Partnerships.* The Partnerships agreements should provide for substantive policy and management roles for each of the partners in the conduct of the project. The forging of the partnerships should strengthen the collaborative roles of the partners in the planning, implementation and evaluation of the project. OCS encourages the development of new collaborative efforts among agencies that link State agencies as well as nontraditional service providers and partners with CAA efforts. A substantial amount of the matching funds (real dollars or third-party in-kind services) should be committed as a result of the partnership agreements.

Applicable to Developmental Projects Only

a. *Organizational Capability and Capacity.* This must include a rationale for why the applicant requires the capacity building grant.

b. *Analysis of Need.* This must include a description of the low-income area it proposes to address, and the analysis of need in the distressed community.

c. *Project Design.* This must include a discussion of the types of projects, hypothesis(es), and proposed interventions that might be tested to address the identified needs and how the proposed projects relate to the applicant's organizational goals and previous experience (if any); a working definition of "self-sufficiency" for this project. There should be an adequate sample size of participants and non-participants to assure reliability of the data and to produce a noticeable and measurable impact.

d. *Project Implementation.* Applicants must include work plans with specific task timeliness on how and when the capacities will be acquired. These work plans should address such issues as how applicant intends to identify the existing problems in other localities and how it intends to develop a meaningful partnership(s).

e. *Third-Party Evaluation.* Applicants must include a proposed plan for a methodologically sound third-party (i.e. independent) evaluation of the demonstration project. This evaluation should include a description of the target group as well as an exploration of an adequate sample size for both the service group and the comparison group.

f. *Budget Appropriateness and Reasonableness.* The proposed request for funds must include a detailed budget breakdown for each of the pertinent categories in the SF–424A. Any positions which are less than full-time should be identified.

Applicable to Continuation Projects Only

a. *Significant and Beneficial Impact.* Show how many clients have been successful in acquiring income producing employment, types of jobs, the number who have become self-sufficient, etc. Provide evidence that the project will result in substantial progress toward self-sufficiency of the clients. Provide a preliminary evaluation that demonstrates statistically that the program shows promise.

b. *Research Significance.* Discuss how and why the proposed number of client interventions will produce evaluation results that are statistically significant. Also, discuss how the evaluation will be able to adequately determine the importance of the interventions to the clients achieving self-sufficiency. Provide information on the design and timeframe for completion of a cost-benefit analysis of the project. Explain how the continuation will add to the body of knowledge.

c. *Institutional Impact.* Provide evidence that the project has had a beneficial impact on the institutions involved, i.e. the applicant, partners, other relevant organizations. Describe their support of the project. For example, what changes have the organizations made in the conduct of their on-going programs as a result of the initial DPP grant and what funds or other resources have been mobilized to conduct the project.

d. *Appropriateness of Project.* Explain why the approach being tested is not duplicative of services otherwise available to the poor and why the approach is a substantial improvement over otherwise available efforts to address the problem.

Part G—Post-Award Information and Reporting Requirements

Following approval of the applications selected for funding, notice of project approval and authority to draw down project funds will be made in writing. The official award document is the Notice of Grant Award which provides the amount of Federal funds approved for use in the project, the budget period for which support is provided, the terms and conditions of the Award, the total project period for which support is contemplated, and the total financial participation from the award recipient.

In addition to the General Conditions and Special Conditions (where the latter are warranted) which will be applicable to grants, grantees will be subject to the provisions of 45 CFR parts 74 and 92.

Project directors and chief evaluators will be required to attend a national DPP evaluation workshop in Washington, DC, which will be scheduled shortly after the effective date of the grant. They also will be required to attend, as presenters, a workshop on utilization and dissemination to be held at the end of the project period.

Grantees will be required to submit quarterly progress and financial reports (SF 269) as well as a final progress and financial report within 90 days of the termination of the project. An interim evaluation report, along with the written policies and procedures which served as a basis for the process evaluation, will be due 30 days after the first twelve months of the project period and a final evaluation report will be due 90 days after the expiration of the grant. These reports will be submitted in accordance with instructions to be provided by OCS, and will be the basis for the dissemination effort to be conducted by the Office of Community Services.

Grantees are subject to the audit requirements in 45 CFR parts 74 and 92.

Section 1352 of Public Law 101–121, signed into law on October 23, 1989, imposes new prohibitions and requirements for disclosure and certification related to lobbying on recipients on Federal contracts, grants, cooperative agreements, and loans. It provides exemptions for Indian tribes and tribal organizations. Current and prospective recipients (and their subtier contractors and/or grantees) are prohibited from using Federal funds, other than profits from a Federal contract, for lobbying Congress or any Federal agency in connection with the award of a contract, grant, cooperative agreement or loan. In addition, for each award action in excess of $100,000 (or $150,000 for loans) the law requires recipients and their subtier contractors and/or subgrantees (1) to certify that they have neither used nor will use any appropriated funds for payment to lobbyists; (2) to disclose the name, address, payment details, and purpose of any agreements with lobbyists whom recipients or their subtier contractors or subgrantees will pay with profits or nonappropriated funds on or after December 22, 1989 and (3) to file quarterly up-dates about the use of lobbyists if material changes occur in their use. The law establishes civil penalties for noncompliance. See Attachment H for certification and disclosure forms to be submitted with the applications for this program.

Attachment I indicates the regulations which apply to all applicants/grantees under the Demonstration Partnership Program.

Eunice S. Thomas,

Director, Office of Community Services.

Attachment A—1990 Poverty Income Guidelines for All States (Except Alaska and Hawaii) and the District of Columbia

Size of family unit	Poverty guidelines
1	$6,280
2	8,420
3	10,560
4	12,700
5	14,840
6	16,980
7	19,120
8	21,260

For family units with more than 8 members, add $2,140 for each additional member.

Poverty Income Guidelines for Alaska

Size of family unit	Poverty guidelines
1	$7,840
2	10,520
3	13,200
4	15,880
5	18,560
6	21,240
7	23,920
8	26,600

For family units with more than 8 members, add $2,680 for each additional member.

Poverty Income Guidelines for Hawaii

Size of family unit	Poverty guidelines
1	$7,230
2	9,690
3	12,150
4	14,610
5	17,070
6	19,530
7	21,990
8	24,450

For family units with more than 8 members, add $2,46) for each additional member.

BILLING CODE 4150-04-M

Attachment B—SF-424 and Instructions

OMB Approval No. 0348-0043

APPLICATION FOR FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION: *Application* ☐ Construction ☐ Non-Construction *Preapplication* ☐ Construction ☐ Non-Construction	2. DATE SUBMITTED	Applicant Identifier
	3. DATE RECEIVED BY STATE	State Application Identifier
	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION

Legal Name:	Organizational Unit:
Address (*give city, county, state, and zip code*):	Name and telephone number of the person to be contacted on matters involving this application (*give area code*)

6. EMPLOYER IDENTIFICATION NUMBER (EIN): ☐☐ — ☐☐☐☐☐☐☐

7. TYPE OF APPLICANT: (*enter appropriate letter in box*) ☐

A State
B County
C Municipal
D Township
E Interstate
F Intermunicipal
G Special District
H Independent School Dist.
I State Controlled Institution of Higher Learning
J Private University
K Indian Tribe
L Individual
M Profit Organization
N Other (Specify) ____

8. TYPE OF APPLICATION:

☐ New ☐ Continuation ☐ Revision

If Revision, enter appropriate letter(s) in box(es): ☐ ☐

A Increase Award B. Decrease Award C. Increase Duration
D. Decrease Duration Other (*specify*):

9. NAME OF FEDERAL AGENCY:

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: ☐☐-☐☐☐

TITLE:

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:

12. AREAS AFFECTED BY PROJECT (*cities, counties, states, etc.*):

13. PROPOSED PROJECT:		14. CONGRESSIONAL DISTRICTS OF:	
Start Date	Ending Date	a. Applicant	b. Project

15. ESTIMATED FUNDING:	
a. Federal	$ .00
b. Applicant	$ .00
c. State	$ .00
d. Local	$ .00
e. Other	$ .00
f. Program Income	$ .00
g. TOTAL	$ .00

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

a. YES THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON

DATE ____

b. NO ☐ PROGRAM IS NOT COVERED BY E.O. 12372

☐ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?

☐ Yes If "Yes," attach an explanation ☐ No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED

a. Typed Name of Authorized Representative	b. Title	c. Telephone number
d. Signature of Authorized Representative		e. Date Signed

Previous Editions Not Usable

Standard Form 424 (REV 4-88)
Prescribed by OMB Circular A-102

Authorized for Local Reproduction

INSTRUCTIONS FOR THE SF 424

This is a standard form used by applicants as a required facesheet for preapplications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

Item: Entry:

1. Self-explanatory.
2. Date application submitted to Federal agency (or State if applicable) & applicant's control number (if applicable).
3. State use only (if applicable).
4. If this application is to continue or revise an existing award, enter present Federal identifier number. If for a new project, leave blank.
5. Legal name of applicant, name of primary organizational unit which will undertake the assistance activity, complete address of the applicant, and name and telephone number of the person to contact on matters related to this application.
6. Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.
7. Enter the appropriate letter in the space provided.
8. Check appropriate box and enter appropriate letter(s) in the space(s) provided:
   - "New" means a new assistance award.
   - "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date.
   - "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation.
9. Name of Federal agency from which assistance is being requested with this application.
10. Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.
11. Enter a brief descriptive title of the project. if more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.

Item: Entry:

12. List only the largest political entities affected (e.g., State, counties, cities).
13. Self-explanatory.
14. List the applicant's Congressional District and any District(s) affected by the program or project.
15. Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate *only* the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.
16. Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process.
17. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.
18. To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)

OMB Approval No. 0348-0044

BUDGET INFORMATION — Non-Construction Programs

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds: Federal (c)	Estimated Unobligated Funds: Non-Federal (d)	New or Revised Budget: Federal (e)	New or Revised Budget: Non-Federal (f)	New or Revised Budget: Total (g)
1		$	$	$	$	$
2.						
3.						
4.						
5. TOTALS		$	$	$	$	$

SECTION B - BUDGET CATEGORIES

6 Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY (1)	(2)	(3)	(4)	Total (5)
a. Personnel	$	$	$	$	$
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges (sum of 6a - 6h)					
j. Indirect Charges					
k. TOTALS (sum of 6i and 6j)	$	$	$	$	$
7. Program Income	$	$	$	$	$

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Standard Form 424A (4-88)
Prescribed by OMB Circular A-102

SECTION C - NON-FEDERAL RESOURCES

(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.	$	$	$	$
9.				
10.				
11.				
12. TOTALS (sum of lines 8 and 11)	$	$	$	$

SECTION D - FORECASTED CASH NEEDS

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	$	$	$	$	$
14. NonFederal					
15. TOTAL (sum of lines 13 and 14)	$	$	$	$	$

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

(a) Grant Program	FUTURE FUNDING PERIODS (Years)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16.	$	$	$	$
17.				
18.				
19.				
20. TOTALS (sum of lines 16-19)	$	$	$	$

SECTION F - OTHER BUDGET INFORMATION

(Attach additional Sheets if Necessary)

21. Direct Charges:	22. Indirect Charges:
23. Remarks	

SF 424A (4-88) Page 2
Prescribed by OMB Circular A-102

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INSTRUCTIONS FOR THE SF-424A

General Instructions

This form is designed so that application can be made for funds from one or more grant programs. In preparing the budget, adhere to any existing Federal grantor agency guidelines which prescribe how and whether budgeted amounts should be separately shown for different functions or activities within the program. For some programs, grantor agencies may require budgets to be separately shown by function or activity. For other programs, grantor agencies may require a breakdown by function or activity. Sections A,B,C, and D should include budget estimates for the whole project except when applying for assistance which requires Federal authorization in annual or other funding period increments. In the latter case, Sections A,B, C, and D should provide the budget for the first budget period (usually a year) and Section E should present the need for Federal assistance in the subsequent budget periods. All applications should contain a breakdown by the object class categories shown in Lines a-k of Section B.

Section A. Budget Summary
Lines 1-4, Columns (a) and (b)

For applications pertaining to a *single* Federal grant program (Federal Domestic Assistance Catalog number) and *not requiring* a functional or activity breakdown, enter on Line 1 under Column (a) the catalog program title and the catalog number in Column (b).

For applications pertaining to a *single* program *requiring* budget amounts by multiple functions or activities, enter the name of each activity or function on each line in Column (a), and enter the catalog number in Column (b). For applications pertaining to multiple programs where none of the programs require a breakdown by function or activity, enter the catalog program title on each line in *Column* (a) and the respective catalog number on each line in Column (b).

For applications pertaining to *multiple* programs where one or more programs *require* a breakdown by function or activity, prepare a separate sheet for each program requiring the breakdown. Additional sheets should be used when one form does not provide adequate space for all breakdown of data required. However, when more than one sheet is used, the first page should provide the summary totals by programs.

Lines 1-4, Columns (c) through (g.)

For new applications, leave Columns (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year).

Lines 1-4, Columns (c) through (g.) (continued)

For continuing grant program applications, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the Federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of amounts in Columns (e) and (f).

For supplemental grants and changes to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of Federal funds and enter in Column (f) the amount of the increase or decrease of non-Federal funds. In Column (g) enter the new total budgeted amount (Federal and non-Federal) which includes the total previous authorized budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (g) should not equal the sum of amounts in Columns (e) and (f).

Line 5 — Show the totals for all columns used.

Section B Budget Categories

In the column headings (1) through (4), enter the titles of the same programs, functions, and activities shown on Lines 1-4, Column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each program, function or activity, fill in the total requirements for funds (both Federal and non-Federal) by object class categories.

Lines 6a-i — Show the totals of Lines 6a to 6h in each column.

Line 6j - Show the amount of indirect cost.

Line 6k - Enter the total of amounts on Lines 6i and 6j. For all applications for new grants and continuation grants the total amount in column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5. For supplemental grants and changes to grants, the total amount of the increase or decrease as shown in Columns (1)-(4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5.

Attachment C—SF-424A and Instructions

INSTRUCTIONS FOR THE SF-424A *(continued)*

Line 7 - Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount. Show under the program narrative statement the nature and source of income. The estimated amount of program income may be considered by the federal grantor agency in determining the total amount of the grant.

Section C. Non-Federal-Resources

Lines 8-11 - Enter amounts of non-Federal resources that will be used on the grant. If in-kind contributions are included, provide a brief explanation on a separate sheet.

Column (a) - Enter the program titles identical to Column (a), Section A. A breakdown by function or activity is not necessary.

Column (b) - Enter the contribution to be made by the applicant.

Column (c) - Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency. Applicants which are a State or State agencies should leave this column blank.

Column (d) - Enter the amount of cash and in-kind contributions to be made from all other sources.

Column (e) - Enter totals of Columns (b), (c), and (d).

Line 12 — Enter the total for each of Columns (b)-(e). The amount in Column (e) should be equal to the amount on Line 5, Column (f), Section A.

Section D. Forecasted Cash Needs

Line 13 - Enter the amount of cash needed by quarter from the grantor agency during the first year.

Line 14 - Enter the amount of cash from all other sources needed by quarter during the first year.

Line 15 - Enter the totals of amounts on Lines 13 and 14.

Section E. Budget Estimates of Federal Funds Needed for Balance of the Project

Lines 16 - 19 - Enter in Column (a) the same grant program titles shown in Column (a), Section A. A breakdown by function or activity is not necessary. For new applications and continuation grant applications, enter in the proper columns amounts of Federal funds which will be needed to complete the program or project over the succeeding funding periods (usually in years). This section need not be completed for revisions (amendments, changes, or supplements) to funds for the current year of existing grants.

If more than four lines are needed to list the program titles, submit additional schedules as necessary.

Line 20 - Enter the total for each of the Columns (b)-(e). When additional schedules are prepared for this Section, annotate accordingly and show the overall totals on this line.

Section F. Other Budget Information

Line 21 - Use this space to explain amounts for individual direct object-class cost categories that may appear to be out of the ordinary or to explain the details as required by the Federal grantor agency.

Line 22 - Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense.

Line 23 - Provide any other explanations or comments deemed necessary.

Attachment D—SF-424B

OMB Approval No. 0348-0040

ASSURANCES — NON-CONSTRUCTION PROGRAMS

Note: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

8. Will comply with the provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. §§ 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally assisted construction subagreements.

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Prescribed by OMB Circular A-102

Authorized for Local Reproduction

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program andto purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.); (f) conformity of Federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).

12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).

14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.

17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984.

18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
APPLICANT ORGANIZATION	DATE SUBMITTED

SF 424B (4-88) Back

BILLING CODE 4150-04-C

Attachment E—U.S. Department of Health and Human Services Certificate Regarding Drug-Free Workplace Requirements Grantees Other Than Individuals

By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.

This certification is required by regulations implementing the Drug-Free Workplace Act of 1988, 45 CFR part 76, subpart F. The regulations, published in the January 31, 1989 **Federal Register**, require certification by grantees that they will maintain a drug-free workplace. The certification set out below is a material representation of fact upon which reliance will be placed when the U.S. Department of Health and Human Services determines to award the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of the grant, or governmentwide suspension or debarment.

A. The grantee certifies that it will provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing a drug-free awareness program to inform employees about:

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance program; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Make it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:

(1) Abide by the terms of the statement; and

(2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace not later than five days after such violation;

(e) Notifying the agency within ten days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction;

(f) Taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted;

(1) Taking appropriate personnel action against such an employee, up to and including termination; or

(2) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee shall insert in the space provided below, the site(s) for the performance of work done in connection with the specific grant (Street address, city, county, State, Zip Code):

____

____

____

Attachment F—Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions

By signing and submitting this proposal, the applicant, defined as the primary participant in accordance with 45 CFR part 76, certifies to the best of its knowledge and belief that its principals involved:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a 3-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) treansaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a 3-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

The inability of a person to provide the certification required above will not necessarily result in denial of participation for this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the Department of Health and Human Services' (HHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction. The prospective primary participant agrees that by submitting this proposal, it will include the clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion—Lower Tier Covered Transactions", provided below, without modification in all lower tier covered transactions and in all solicitations for lower tier covered actions.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusions—Lower Tier Covered Transactions (To Be Supplied to Lower Tier Participants)

By signing and submitting this lower tier proposal, the prospective lower tier participant, as defined in 45 CFR part 76, certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(b) Where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal.

The prospective lower tier participant further agrees by submitting this proposal that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusions—Lower Tier Covered Transactions" without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Attachment G—State Single Points of Contact

ALABAMA

Mrs. Moncell Thornell, State Single Point of Contact, Alabama Department of Economic & Community Affairs, 3465 Norman Bridge Road, Post Office Box 250347, Montgomery,

Alabama 36125–0347, Telephone (205) 284–8905

ARIZONA

Ms. Janice Dunn, Arizona State Clearinghouse, 1700 West Washington Avenue, Fourth Floor, Phoenix, Arizona 85007, Telephone (602) 542–5004

ARKANSAS

Mr. Joseph Gillesbie, Manager, State Clearinghouse, Office of Intergovernmental Service, Department of Finance and Administration, P.O. Box 3278, Little Rock, Arkansas 72203, Telephone (501) 371–1074

CALIFORNIA

Glenn Stober, Grants Coordinator, Office of Planning and Research, 1400 Tenth Street, Sacramento, California 95814, Telephone (916) 323–7480

COLORADO

State Single Point of Contact, State Clearinghouse, Division of Local Government, 1313 Sherman Street, Room 520, Denver, Colorado 80203, Telephone (303) 866–2156

CONNECTICUT

Under Secretary, Attn: Intergovernmental Review Coordinator, Comprehensive Planning Division, Office of Policy and Management, 80 Washington Street, Hartford, Connecticut 06106–4459, Telephone (203) 566–3410

DELAWARE

Francine Booth, State Single Point of Contact, Executive Department, Thomas Collins Building, Dover, Delaware 19903, Telephone (302) 736–3326

DISTRICT OF COLUMBIA

Lovetta Davis, State Single Point of Contact, Executive Office of the Mayor, Office of Intergovernmental Relations, Room 416, District Building, 1350 Pennsylvania Avenue, NW., Washington, DC 20004, Telephone (202) 727–9111

FLORIDA

George H. Meier, Director of Intergovernmental Coordination, Director, Florida State Clearinghouse, Executive Office of the Governor, Office of Planning and Budgeting, Growth Management and Planning Policy Unit, The Capitol, Tallahassee, Florida 32399–0001, Telephone (904) 488–8114

GEORGIA

Charles H. Badger, Administrator, Georgia State Clearinghouse, 270 Washington Street, S.W., Atlanta, Georgia 30334, Telephone (404) 656–3855

HAWAII

Mr. Harold S. Masumoto, Acting Director, Office of State Planning, Department of Planning and Economic Development, Office of the Governor, State Capitol, Honolulu, Hawaii 96813, Telephone (808) 548–3016 or 548–3085

ILLINOIS

Tom Berkshire, State Single Point of Contact, Office of the Governor, State of Illinois, Springfield, Illinois 62706, Telephone (217) 782–8639

INDIANA

Frank Sullivan, Budget Director, State Budget Agency, 212 State House, Indianapolis, Indiana 46204, Telephone (317) 232–5610

IOWA

Steven R. McCann, Division for Community Progress, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309, Telephone (515) 281–3725

KENTUCKY

Robert Lenoard, State Single Point of Contact, Kentucky State Clearinghouse, 2nd Floor Capital Plaza Tower, Frankfort, Kentucky, 40601, Telephone (502) 564–2382

LOUISIANA

Robin Hote, Division of Administration, Office of State Clearinghouse, P.O. Box 94095, Baton Rouge, Louisiana 70804–9095, Telephone (504) 342–7006

MAINE

State Single Point of Contact, Attn: Joyce Benson, State Planning Office, State House Station #38, Augusta, Maine 04333, Telephone (207) 289–3261

MARYLAND

Mary Abrams, Director, Maryland State Clearinghouse, Department of State Planning, 301 West Preston Street, Baltimore, Maryland 21201–2365, Telephone (301) 225–4490

MASSACHUSETTS

State Single Point of Contact, Attn: Beverly Boyle, Executive Office of Communities & Development, 100 Cambridge Street, Room 904, Boston, Massachusetts 02202, Telephone (617) 727–3253

MICHIGAN

Michelyn Pasteur, Deputy Director, Local Development Services, Department of Commerce, P.O. Box 30225, Lansing, Michigan 48903, Telephone (517) 375–1838

Please direct correspondence to: Manager, Federal Project Review System, 6500 Mercantile Way, Suite 2, Lansing, Michigan 48911, Telephone (517) 334–6190

MISSISSIPPI

Cathy Mallette, Governor's Office of Federal State Programs, Department of Planning and Policy, 421 West Pascagoula Street, Jackson, Mississippi 39206, Telephone (601) 960–4282

MISSOURI

Lois Pohl, Federal Assistance Clearinghouse, Office of Administration, Division of General Services, P.O. Box 809, Room 430, Truman Building, Jefferson City, Missouri 65102, Telephone (314) 751–4834

MONTANA

Deborah Davis, State Single Point of Contact, Intergovernmental Review Clearinghouse, c/o Office of Lieutenant Governor, Capitol Station, Room 210—State Capitol, Helena, Montana 59620, Telephone (406) 444–5522

NEVADA

Jean Ford, Nevada Office of Community Services; Capitol Complex, Carson City, Nevada 89710, Telephone (702) 885–4420

Please direct correspondence and questions to: John Walker, Clearinghouse Coordinator

NEW HAMPSHIRE

Robert W. Varney, Director, New Hampshire Office of State Planning, Attn: Intergovernmental Review Process/James E. Bieber, 2½ Beacon Street, Concord, New Hampshire 03301, Telephone (603) 271–2155

NEW JERSEY

Barry Skokowski, Director, Division of Local Government Services, Department of Community Affairs, CN 803, Trenton, New Jersey 08625–0803, Telephone (609) 292–6613

Please direct correspondence and questions to: Nelson S. Silver, State Review Process, Division of Local Government Services, CN 803, Trenton, New Jersey 08625–0803, Telephone (609) 292–9025

NEW MEXICO

Dean Olson, Director, Management & Program Analysis Division, Department of Finance & Administration, Room 424, State Capitol Building, Santa Fe, New Mexico 87503, Telephone (505) 827–3885

NEW YORK

New York State Clearinghouse, Division of the Budget, State Capitol, Albany, New York 12224, Telephone (518) 474–1605

NORTH CAROLINA

Mrs. Chrys Baggett, Director, Intergovernmental Relations, N.C. Department of Administration, 116 W. Jones Street, Raleigh, North Carolina 27611, Telephone (919) 733–0499

NORTH DAKOTA

William Robinson, State Single Point of Contact, Office of Intergovernmental Affairs, Office of Management and Budget, 14th Floor, State Capitol, Bismarck, North Dakota 58505, Telephone (701) 224–2094

OHIO

Larry Weaver, State Single Point of Contact, State/Federal Funds Coordinator, State Clearinghouse, Office of Budget and Management, 30 East Broad Street, 34th Floor, Columbus, Ohio 43266–0411, Telephone (614) 466–0698

OKLAHOMA

Don Strain, State Single Point of Contact, Oklahoma Department of Commerce, Office of Federal Assistance Management, P.O. Box 26980, Oklahoma City, Oklahoma 73126, Telephone (405) 843–9770

OREGON

Attn: Delores Streeter, State Single Point of Contact, Intergovernmental Relations Division, State Clearinghouse, 155 Cottage Street, NE., Salem, Oregon 97310, Telephone (503) 373–1998

PENNSYLVANIA

Laine A. Heltebridle, Special Assistant, Pennsylvania Intergovernmental Council, P.O. Box 11880, Harrisburg, Pennyslvania 17108, Telephone (717) 783–3700

RHODE ISLAND

Daniel W. Varin, Associate Director, Statewide Planning Program, Department of Administration, Division of Planning, 265 Melrose Street, Providence, Rhode Island 02907 Telephone (401) 277-2656

Please direct correspondence and questions to: Review Coordinator, Office of Strategic Planning

SOUTH CAROLINA

Danny L. Cromer, State Single Point of Contact, Grant Services, Office of the Governor, 1205 Pendleton Street, Room 477, Columbia, South Carolina 29201, Telephone (803) 734-0435

SOUTH DAKOTA

Susan Comer, State Clearinghouse Coordinator, Office of the Governor, 500 East Capitol, Pierre, South Dakota 57501, Telephone (605) 773-3212

TENNESSEE

Charles Brown, State Single Point of Contact, State Planning Office, 500 Charlotte Avenue, 309 John Sevier Building, Nashville, Tennessee 37219, Telephone (615) 741-1676

TEXAS

Thomas C. Adams, Office of Budget and Planning, Office of the Governor, P.O. Box 12428, Austin, Texas 78711, Telephone (512) 463-1778

UTAH

Dale Hatch, Director, Office of Planning and Budget, State of Utah, 116 State Capitol Building, Salt Lake City, Utah 84114, Telephone (801) 533-5245

VERMONT

Bernard D. Johnson, Assistant Director, Office of Policy Research & Coordination, Pavilion Office Building, 109 State Street, Montpelier, Vermont 05602, Telephone (802) 828-3326

WASHINGTON

Catherine Townley, Coordinator, Intergovernmental Review Process, Department of Community Development, 9th and Columbia Building, Olympia, Washington 98504-4151, Telephone (206) 753-4978

WEST VIRGINIA

Fred Cutlip, Director, Community Development Division, Governor's Office of Community and Industrial Development, Building #6, Room 553, Charleston, West Virginia 25305, Telephone (304) 348-4010

WISCONSIN

James R. Klauser, Secretary, Wisconsin Department of Administration, 101 South Webster Street, GEF 2, P.O. Box 7864, Madison, Wisconsin 53707-7864, Telephone (608) 266-1741

Please direct correspondence and questions to: Thomas Krauskopf, Federal-State Relations Coordinator, Wisconsin Department of Administration

WYOMING

Ann Redman, State Single Point of Contact, Wyoming State Clearinghouse, State Planning Coordinator's Office, Capitol Building, Cheyenne, Wyoming 82002, Telephone (307) 777-7574

Territories

GUAM

Michael J. Reidy, Director, Bureau of Budget and Management Research, Office of the Governor, P.O. Box 2950, Agana, Guam 96910, Telephone (671) 472-2285

NORTHERN MARIANA ISLANDS

State Single Point of Contact, Planning and Budget Office, Office of the Governor, Saipan, CM, Northern Mariana Islands 96950

PUERTO RICO

Patria Custodio/Israel Soto Marrero, Chairman/Director, Puerto Rico Planning Board, Minillas Government Center, P.O. Box 41119, San Juan, Puerto Rico 00940-9985, Telephone (809) 727-4444

VIRGIN ISLANDS

Jose L. George, Director, Office of Management and Budget, No. 32 & 33 Kongens Gade, Charlotte Amalie, V.I. 00802, Telephone (809) 774-0750

Attachment H—Certification Regarding Lobbying

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signature

Title

Organization

Date

BILLING CODE 4150-04-M

DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB 0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

1. Type of Federal Action:
☐ a. contract
b. grant
c. cooperative agreement
d. loan
e. loan guarantee
f. loan insurance

2. Status of Federal Action:
☐ a. bid/offer/application
b. initial award
c. post-award

3. Report Type:
☐ a. initial filing
b. material change
For Material Change Only:
year ________ quarter _____
date of last report _________

4. Name and Address of Reporting Entity:
☐ Prime ☐ Subawardee
Tier _____, *if known*:

Congressional District, *if known*:

5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:

Congressional District, *if known*:

6. Federal Department/Agency:

7. Federal Program Name/Description:

CFDA Number, *if applicable*: _____________

8. Federal Action Number, *if known*:

9. Award Amount, *if known*:
$

10. a. Name and Address of Lobbying Entity *(if individual, last name, first name, MI)*:

b. Individuals Performing Services *(including address if different from No. 10a)* *(last name, first name, MI)*:

(attach Continuation Sheet(s) SF-LLL-A, if necessary)

11. Amount of Payment *(check all that apply)*:
$ _________________ ☐ actual ☐ planned

12. Form of Payment *(check all that apply)*:
☐ a. cash
☐ b. in-kind; specify: nature _________________
value _________________

13. Type of Payment *(check all that apply)*:
☐ a. retainer
☐ b. one-time fee
☐ c. commission
☐ d. contingent fee
☐ e. deferred
☐ f. other; specify: _________________

14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11:

(attach Continuation Sheet(s) SF-LLL-A, if necessary)

15. Continuation Sheet(s) SF-LLL-A attached: ☐ Yes ☐ No

16. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signature: _________________________

Print Name: _________________________

Title: _________________________

Telephone No.: _____________ **Date:** _____________

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INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee" then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 mintues per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

DISCLOSURE OF LOBBYING ACTIVITIES
CONTINUATION SHEET

Approved by OMB
0348-0046

Reporting Entity: ____________________ **Page** ______ **of** ______

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Attachment I—DHHS—Regulations Applicable To All Applicants/Grantees

The following DHHS regulations apply to all applicants/grantees under the Demonstration Partnership Program.

Title 45 of the *Code of Federal Regulations:*

Part 16—Department Grant Appeals Process
Part 74—Administration of Grants (non-governmental)
Part 74—Administration of Grants (state and local governments and Indian Tribal affiliates):
Sections
74.62(a) Non-Federal Audits
74.173 Hospitals
74.174(b) Other Nonprofit Organizations
74.304 Final Decisions in Disputes
74.710 Real Property, Equipment and Supplies
74.715 General Program Income
Part 75—Informal Grant Appeal Procedures
Part 76—Debarment and Suspension from Eligibility for Financial Assistance

Subpart F—Drug Free Workplace Requirements

Part 80—Nondiscrimination Under Programs Receiving Federal Assistance through the Department of Health and Human Services Effectuation of Title VI of the Civil Rights Act of 1964
Part 81—Practice and Procedures for Hearings Under Part 80 of this Title
Part 83—Nondiscrimination on the basis of sex in the admission of individuals to training programs
Part 84—Nondiscrimination on the Basis of Handicap in Programs
Part 91—Nondiscrimination on the Basis of Age in Health and Human Services Programs or Activities Receiving Federal Financial Assistance
Part 92—Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments (**Federal Register**, March 11, 1988)
Part 100—Intergovernmental Review of Department of Health and Human Services Programs and Activities

Attachment J—Checklist for Use in Submitting OCS Demonstration Partnership Grant Applications

The application should contain:

1. A completed, *signed* SF-424, "Application for Federal Assistance". The letter code for the Demonstration Partnership Program and its set aside, if applicable, should be in the lower right-hand corner of the page;

2. A completed "Budget Information-Non-Construction" (SF-424A);

3. A *signed* "Assurances-Non-Construction" (SF-424B);

4. A project narrative beginning with a Table of Contents that describes the project and includes Appendices, such as: signed letter from CSBG Director, documentation of matching funds; bibliography; Bylaws; Articles of Incorporation; proof of nonprofit status where applicable; State Single Points of Contact comments if applicable; and resumes;

5. A *signed* copy of Certification Regarding Lobbying;

6. A completed Disclosure of Lobbying Activities form, if appropriate;

7. A self-addressed mailing label which can be affixed to a postcard to acknowledge receipt of application.

The application should not exceed a total of 50 pages. It should include one original and four identical copies and be printed on white 8½ by 11 inch paper.

The applicant must be aware that in signing and submitting the application for this award, it is certifying that it has read and understood the Federal guidelines concerning the drug-free workplace and debarment regulations set forth in Attachments E and F.

[FR. Doc. 90-10715 Filed 5-8-90; 8:45 am]

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Federal Register

Vol. 55, No. 90

Wednesday, May 9, 1990

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Last List May 4, 1990

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H.J. Res. 553/Pub. L. 101-280

To make technical changes in the Ethics Reform Act of 1989. (May 4, 1990; 104 Stat. 149; 15 pages) Price: $1.00

S. 2533/Pub. L. 101-281

To amend the Federal Aviation Act of 1958 to extend the civil penalty assessment demonstration program, and for other purposes. (May 4, 1990; 104 Stat. 164; 3 pages) Price: $1.00

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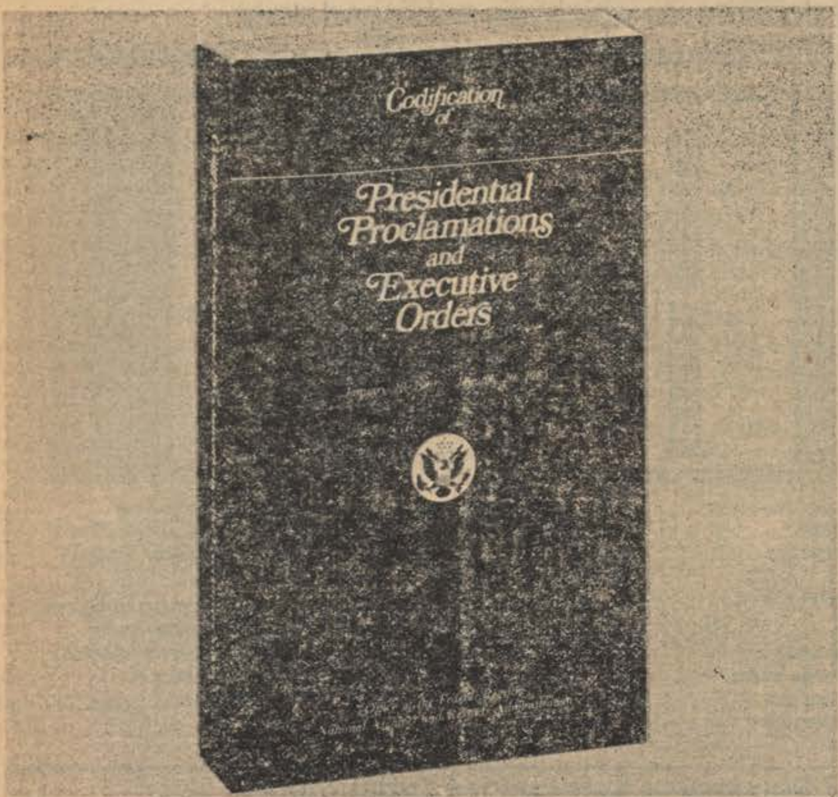

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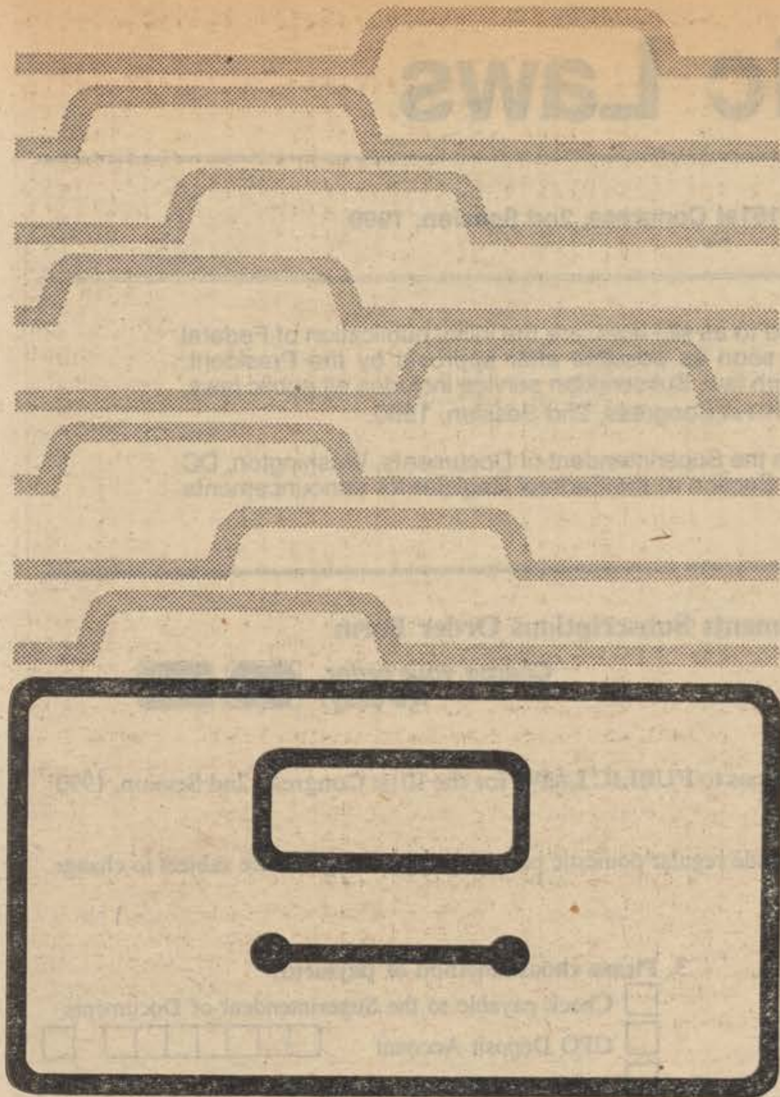

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